FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

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South Africa after the strike: the seeds of dialogue, Page 18

World News | Business Summary

Aquino calls inquiry into alleged US coup role

The possibility of US involvement in last Friday's abortive coup would be investigated, Philippines Defence Secretary Rafael Ileto said after a cabinet meeting chaired by President Corazon Aquino.

The Cabinet also decided to give the coup leader, Colonel Gregorio Honasan, and other rebel officers 90 days in which to give themselves up. Page 3

Soviet Kabul talks

Soviet First Deputy Foreign Minister Yuli Vorontsov had talks in Kabul with Foreign Minister Abdul Wakil on prospects for a rapid solution to the strife in Afghanistan, Tass reported.

US space tests

Tests have begun on the engines to be used in the next launch of a US space shuttle in June, 1988. Page 4

Heysel fans extradited

The British Home Office said that 26 soccer fans would be extradited to Belgium for trial in connection with the 1985 Heysel stadium riot.

Yugoslav arrests plea

State auditors called for 92 people to be arrested in connection with the issue of up to $500m of false promissory notes for a state owned agro-industry.

Chagall in Moscow

The first major exhibition of the works of the late Marc Chagall opened in Moscow 65 years after the artist abandoned the Soviet Union.

Chad ceasefire ends

Libya bombed three towns in northern Chad, ending a ceasefire announced on Monday to *mark the anniversary of Colonel* Muammar Gadaffi's revolution, Chadian officials said.

New Caledonia rally

With just over a week to go to a referendum on independence for the territory, loyalist forces in New Caledonia were preparing a massive rally to support continued French rule.

Pretoria press watch

The South African Government said it had established an agency to monitor newspapers' compliance with media restrictions.

China congress date

The 13th congress of China's Communist Party will open on October 25, the official news agency reported. Page 3

Spandau demolition

Workers began to dismantle parts of Spandau prison in West Berlin, little more than two weeks *after its last inmate*, Rudolf Hess, died there.

Czech farm reform

Czechoslovakia published a plan to restructure agricultural co-operatives, including the dissolution of loss-making farms.

Israeli minister quits

Israeli cabinet minister Moshe *Arens resigned over the Government's* decision to scrap the Lavi fighter.

Salvador casualties

The Salvadorean military claimed they had killed 70 left-wing guerrillas in August; the guerrillas said they had killed or wounded 605 government troops.

Spain takes part

Spanish forces were taking part in the twice-yearly Ocean Safari manoeuvres, the first time they had participated in major Nato naval exercises since joining the Alliance in 1982.

Computer disease

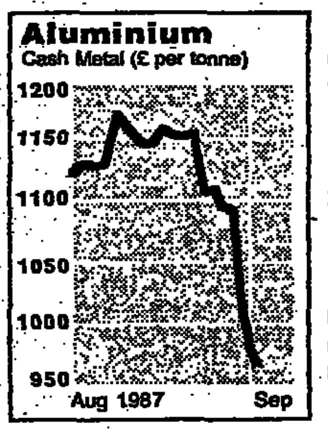
A Dane, aged 18, whose emotional development was inhibited because he spent up to 16 hours a day playing with his father's computer equipment had to be admitted to a mental hospital, a Danish medical journal reported.

Lawson says UK rates high enough

NIGEL LAWSON, UK Chancellor of the Exchequer, underlined his commitment to a further period of stability for sterling and said last month's rise in interest rates would be enough to contain inflationary pressures in the economy. Page 5

FLETCHER CHALLENGE, New Zealand international forestry-based conglomerate, became the first New Zealand company to achieve net profits of more than NZ$300m (US$179.8m). The company earned NZ$355.1m, a 48 per cent increase from last year. Page 21

ALUMINIUM prices continued *to slide on the London Metal* Exchange with the cash standard grade quotation adding £16.50 to Tuesday's £40 fall at



£964.50 a tonne, despite rallying during the afternoon as speculators who had sold earlier covered their short positions. Page 39

WALL STREET: The Dow Jones industrial average closed down 8.93 at 2,602.04. Page 42

TOKYO: The higher yen and overnight drop on Wall Street depressed investor enthusiasm and sparked selling in commodity-sensitive stocks. The Nikkei stock average lost 171.82 to 25,946.60. Page 42

GOLD rose on the London bullion market to close at $463.75 ($453.25). Page 39

DOLLAR closed in New York at DM1.7965, Y140.80, FFr6.0125, SFr1.4840. It fell in London to DM1.8030 (DM1.8125); to Y140.95 (Y141.85); to FFr6.0350 (FFr6.0650); and to SFr1.4885 (SFr1.4965). On Bank of England figures the dollar's exchange rate index fell 0.3 to close at 100.5. Page 31

STERLING closed in New York at $1.6535. It rose in London to close at $1.6500 ($1.6400); to DM2.9750 (DM2.9725); to FFR9.9575 (FFr9.9475); but fell to Y232.50 (Y232.75); and remained unchanged at SFr2.4550. The pound's exchange rate index rose 0.2 to 73.0. Page 31

LONDON: UK securities markets moved in sharp contrast with Government bonds higher and leading shares lower after Wall Street's weak opening. The FT-SE 100 share index ended 23.3 lower at 2,249.5 while the FT Ordinary index was 15.7 down at 1,763.2. Details Page 38

VOLKSWAGEN, Europe's biggest car producer, saw group profits rise 7 per cent to DM304m ($168m) in the first half *of 1987 against DM284m for the* same period last year. Earnings at the parent company rose 2.7 per cent to DM241m. Page 23

INCENTIVE, Swedish conglomerate dominated by the Wallenberg and Lundberg financial interests, is to buy six Scandinavian electronics companies from the Malmros conglomerate for about SKr100m ($15.6m). Page 23

DICKSON CONCEPTS, Hong Kong group best known as a wholesaler and retailer of luxury fashion accessories and watches, agreed to pay Gillette of the US about US$52m in cash for its 98.3 per cent holding in the worldwide operations of S. T. Dupont, which makes cigarette lighters, stationery and leather goods. Page 21

PLM, Swedish packaging group, *reported a strong surge in prof*its (after financial items) to SKr112.2m ($17.7m) in the first six months, compared with SKr42.9m in the comparable period last year.

Gulf tanker strikes reach highest level in seven-year war

BY ANDREW GOWERS, MIDDLE EAST EDITOR, IN LONDON

ATTACKS ON tankers in the Gulf by Iraq and Iran intensified yesterday to a level unprecedented in the seven-year war between the two countries.

In New York, Mr Javier Perez de Cuellar, the United Nations Secretary-General, began con*sultations with Security Council* members after being invited by Iran to visit Tehran. One source said the suggested period of the visit was from September 10-13.

Iraq, which resumed attacks on Iranian shipping last Saturday despite strong pressure from the US and its allies not to do so, said it hit two tankers yesterday. This brought to 11 the number of ships it claims to have attacked in the last five days, of which seven have been independently confirmed.

Meanwhile, Iran was reported to have fired on five ships overnight, including the Korean-flag tanker Astro Pegasus, the Lib*erian-flag tanker Diamond Ma*rine, the Cypriot-flag cargo vessel Leonidas Glory and the Greek-flag tanker Dafni. At least two of the ships, the Korean and Greek tankers, were badly damaged. Iran has now hit six ships since it began to retaliate for Iraq's raids on Monday, mainly through hit-and-run raids carried out by Revolutionary Guards operating in speedboats.

In Tehran yesterday, Mr Mir Hussein Mousavi, the Iranian Prime Minister, promised more such attacks. "The policy of blow-for-blow will be followed in a calculated way" with a view to foiling "pressures and conspiracies in order to impose an American peace upon us," he was quoted by Tehran radio as saying after a cabinet meeting.

The latest upsurge in the tanker war, which began in earnest in 1984 but which had been suspended for six weeks until last Saturday, has caused alarm in Washington and a number of European capitals. Officials are particularly alarmed about the widespread nature of the attacks, which are now seen as a serious threat to freedom of navigation in the Gulf.

As a result, London ship insurers yesterday raised war risk premiums for ships sailing into the Gulf by about 50 per cent with immediate effect. The pre-

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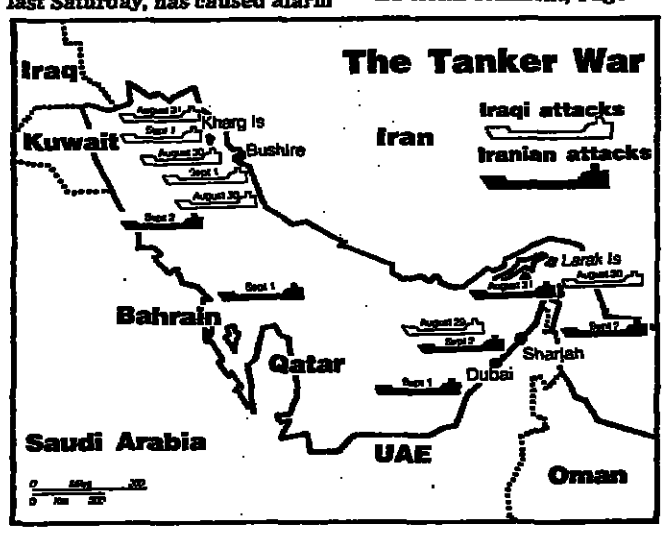

S Korea agrees date for presidential elections

BY RICHARD GOURLAY IN SEOUL

THE SOUTH KOREAN Government and opposition parties yesterday agreed on a December date for the first free presidential elections in 16 years, so moving a step closer to loosening the military's grip on political power that has dominated the post-war period.

The agreement was reached during the first formal meeting between Mr Kim Young Sam, opposition party president, and Mr Roh Tae Woo, the Government party's presidential candidate, since the Government con*ceded to popular demands* for democratic reforms in early July.

They agreed elections before December 20 and set out a timetable for the remaining reforms that must be carried out before then. However, Mr Roh refused to concede to opposition demands for the release of political prisoners, which remains a key unresolved issue and dominated yesterday's meeting.

The National Assembly will start drafting precise revisions to the constitution on September 10, which they will approve in early October before a national referendum on the new charter later that month.

The National Assembly will now have to redraft laws for the presidential election and the referendum and agree when general elections for its constit*uent members should be held.* Until now it has been a powerless institution that effectively only rubber stamped executive orders.

The new draft constitution removes the President's power to dissolve the National Assembly and limits his ability to declare martial law. The President will still choose his 26 member cabinet, but not from the National Assembly.

During yesterday's meeting Mr Kim urged the Government to release all the political prisoners who are not avowed supporters of communism. Mr Roh did not rule out their release, but only said the Government would consider it. According to the opposition Democratic Justice Party, there are 506 political prisoners still being held, most of whom have not been sentenced. The Government has made over 60 political arrests since it promised to restore democracy in early July.

Meanwhile, students continued to occupy campuses in Seoul for the second day - also the second day of the new term - demanding the release of political prisoners. They demanded the release of the student leader arrested last month for making allegedly defamatory re*marks to foreign journalists.*

Elsewhere in the country, strikes resumed over wages at the Hyundai Heavy Industry plant in Ulsan where Government pressure forced the man*agement to allow workers to set* up their own democratic trade union last month. Strikes that have halted much of South Korean industry in the last two months, and still affect more than 700 companies, have now cost the country over $1bn in lost production, officials say.

UK publisher to buy half share in Harper and Row for $156m

BY TERRY POVEY IN LONDON

WILLIAM COLLINS, the UK book publisher, is to spend $156m (£95m) acquiring a half share in Harper and Row, one of the leading US publishers, from the American division of Mr Rupert Murdoch's international media conglomerate, News Corporation.

Collins, in which News International, the UK unit of News *Corporation, owns* 42 per cent of the voting shares, is to pay for its stake by a £113m one-for-two rights issue. Mr Ian Chapman, Collins' chairman, said yesterday that the purchase was a "once in a lifetime opportunity, enabling us to go fully international".

One of the unique features of the deal is that since April executives from Collins have been conducting a major internal audit and rationalisation of Harper and Row on News' behalf.

As a result an estimated $15m has been cut off annualised costs, which should lead to a significant improvement in last years pre-tax profits of $5.7m.

Harper and Row has a strong position in the religious, medical, college and children's books market and a "distinguished backlist of fiction and non-fiction" in general hardbacks and paperbacks.

Founded in 1817, two years before Collins, the US company has long had a close relationship with Collins and handled the American distribution of "A Day in the Life of America", the UK company's major recent publishing success, with 915,000 copies so far sold.

Among the concerns that motivated Collins in this deal was that of the battles between the big publishing houses over world rights for new books, said Mr Chapman. With Harper now able to provide a US end, Collins clearly feels that bids for world rights will now be easier to justify and finance. Changes in copyright legislation being considered in some countries also made the link-up valuable, he said.

The revamped Harper and Row *is to be run by a board of* six, drawn equally from News America and Collins. Mr Murdoch and Mr Chapman are to be joint chairmen.

A new chief executive is being actively sought in the US and the UK - although current thinking suggests that he will probably come from Britain.

Collins announced interim pre-tax profits of £7.3m yesterday, up from 1986's first half £5.11m.

Over the last year there have been a series of multi-million deals involving European, US and British book publishers. In *June, Reed International* acquired Octopus for £535m and International Thomson paid £210m for ABP.

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Mathias Rust: acted alone

Rust flew to Moscow for 'world peace talks'

By Patrick Cockburn in Moscow

MR MATHIAS RUST, the West German pilot who landed in Moscow's Red Square in May said yesterday he had flown to Moscow to discuss world peace with Mr Mikhail Gorbachev, the Soviet leader.

Mr Rust's landing caused acute embarrassment in Moscow and led to the dismissal of the Soviet defence minister, *and the head of air defence.*

The 19-year-old West German said yesterday on the first day of his three-day trial that he flew his Cessna light aircraft undetected 500km across Soviet territory to meet "the Soviet leadership especially Gorbach*ev to tell him my thoughts.*"

He decided to fly to Moscow after the failure of the Reykjavic summit between President Reagan and Mr Gorbachev in October last year. He said he acted alone.

He crossed into Soviet territory over the Soviet Baltic Republic of Estonia. "After one hour over Soviet territory I saw a Soviet plane," he said. "There was visual contact."

The Soviet aircraft flew off and Mr Rust headed for Red Square, which he circled until he found a place to land, close *to St Basil's* cathedral.

Earlier, Mr Rust had pleaded guilty to charges of unlawful entry into the Soviet Union on May 28 this year, violation of international flight rules, and mali*cious hooliganism.* He could face up to 10 years in prison, although it is unlikely he will be expected to serve much, if any, of a jail sentence.

Mr Gorbachev has used the failure of Soviet air defence to stop the aircraft landing within yards of the Kremlin as an occasion for radical reorganisation of the upper ranks of the armed forces.

Soon after Mr Rust landed, a special Politbureau meeting accepted the retirement of Marshall Sergei Sokolov the Defence Minister, and sacked Marshall Alexander Koldunov, the Commander in Chief of Air

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Court backs Libya over frozen $300m

BY DAVID LASCELLES, BANKING EDITOR, IN LONDON

LIBYA yesterday won a major court action to recover nearly $300m of deposits placed with the London branch of Bankers Trust. The US bank had refused *to pay out the money, claiming* that it was covered by the freeze which President Reagan imposed on Libyan assets in 1986.

In a High Court judgment with wide implications for the London-based international currency markets, Mr Justice Staughton ruled that the Libyan deposits were governed by English law and that the freeze did not extend to the branches of American banks located outside the US.

The case - the first of its kind to come to trial - was said by lawyers last night to set important legal precedents for the conduct of banking in London, particularly in limiting the extraterritorial reach of foreign governments.

The action was brought by the Libyan Arab Foreign Bank, which is wholly owned by the *Libyan central bank*, after Mr Reagan imposed his freeze as part of his anti-terrorism campaign. The Libyans sought the return of $131m which they had deposited with Bankers Trust's London branch and a further $161m *which they had* instructed the bank to transfer from an account in New York to London just before the freeze was imposed. The Libyans invoked the long-standing banking practice that money deposited in London was repayable there.

Bankers Trust refused to repay the deposits, claiming that it would be in breach of US law. The bank also argued that the money would have to pass through the US bank clearing system which is on US territory.

But Mr Justice Staughton ruled in a 53-page judgment that "the rights and obligations *of the parties in respect of the* London account were governed by English law." He also ruled that Bankers Trust were in breach of contract in failing to transfer the Libyans' money from New York to London.

He ordered Bankers Trust to repay the deposits totalling $292m, as well as interest which is expected to amount to $2m. Mr Graham Brister, of Linklaters & Paines, the solicitors act*ing for Bankers Trust, said last* night that the bank would shortly be deciding whether to appeal.

Yesterday's judgment marked the culmination of several months of hearings in which the Libyans had already won summary judgment on part of their claims. But Bankers Trust appealed and won the right for a full hearing because of its complexity. Bankers Trust is be*lieved to be the largest US bank holder of Libyan deposits* and is the only one being sued by Libya.

The judgment received a generally favourable reaction from bankers last night because it clarified the legal position of deposits in London and weakened the force of an assets freeze as an instrument of international politics. When the US imposed a freeze on Iranian assets during the 1979 hostage crisis, provoking a similar claim against US banks by Iran, none of the litigation ever came into open court. The matter was settled in 1981 after the hostages were released.

Bundesbank takes lead to support $

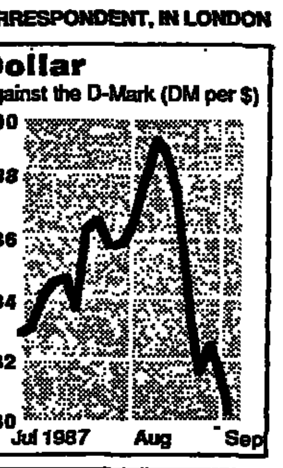
BY PHILIP STEPHENS, ECONOMICS CORRESPONDENT, IN LONDON

A RENEWED SLIDE in the dollar's value prompted intervention by central banks in foreign exchange markets for the second day in succession yesterday, but market sentiment towards the US *currency* remained bearish.

As on Tuesday the intervention, led by West Germany's Bundesbank, was sporadic and in relatively small amounts. European central bankers said the dollar purchases reflected their joint determination to discourage "disorderly" markets rather

Continued on Page 20

Japanese bonds hit, Page 20; currencies, Page 31



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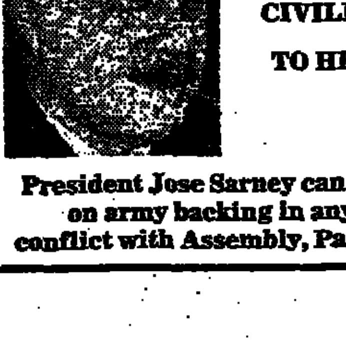

BRAZIL'S MILITARY CALLS CIVILIANS TO HEEL

President Jose Sarney can rely on army backing in any conflict with Assembly, Page 20

EUROPEAN NEWS

French start nuclear leak inquiry

BY GEORGE GRAHAM IN PARIS

FRANCE'S electricity authorities have begun the delicate operation aimed at locating the leak in their Superphenix fast breeder nuclear reactor.

Engineers have begun to empty the cooling system of the reactor at Creys-Malville in south-eastern France, which has been leaking highly liquid sodium for more than five months.

The failure of repeated attempts to pinpoint the source of the leak has worried officials who had earlier tried to play down the importance of the problem. The reactor, the largest operating fast breeder in the world, was finally shut down at the end of May.

Even when the source of the leak is identified, experts fear that the solution will involve replacing the leaking drum, through which nuclear fuels are transferred into the main reactor. This might take as much as three years of work and cost at least FFr 400m, an extra burden on what is already the most expensive French nuclear reactor.

It is not clear whether the reactor, which started up for the first time last year, would be allowed to operate during the repairs. Since the leaking drum is used only for transferring fuel rods to and from the reactor core, it might be possible to function without it for a while.

The Superphenix reactor cost FFr 25bn to build and its high operating costs have made it uneconomic in current conditions. Originally it was designed to economise on nuclear fuel consumption in a period when it seemed as though uranium was becoming scarce and unaffordably expensive.

Today, with lower oil prices and the disappearance of the feared uranium shortage, the Superphenix reactor produces electricity at around twice the price of a conventional pressurised water reactor.

Electricity officials insist there is no danger from the leak, since the liquid sodium, which would explode if it came into contact with the air, is not radioactive and is in any case retained within a secondary drum.

The effort to pinpoint the tiny fissure involves gradually pumping out the sodium and replacing it with helium under gentle pressure. It is hoped that it will be possible to spot the helium escaping when the sodium has been reduced to the level of the leak.

Once the level has been established, the precise spot will be sought by forcing pressurised argon back into the drum and trying to locate the resulting bubbles with microphones.

President Zhikov: portrait will be taken down.

Bulgaria to stand less on ceremony

By Judy Dempsey in Sofia

BULGARIA has officially abolished the May Day parade, once a traditional day of festivities which supposedly gave workers of the world something to celebrate.

Instead of the lavish parades organised by the state, which attracted few genuine onlookers and participants, "the pace and style of celebration" in future will be decided by the workers.

These and other ceremonies, which have been described as "excessively unjustified and expensive," formed part of a long statement entitled the Attributes of Powers recently issued by the Bulgarian Politburo.

The statement was remarkable for its frankness and had no qualms in pointing out that many of the numerous parades and officially organised demonstrations, besides being a waste of time and money, were "marked by hypocrisy, vanity and formalism." As a result, the statement says, people became alienated from the party.

But it is not only ritual and endless ceremonies, the setting up of large platforms for dignitaries and the outdated slogans scattered throughout the countryside and towns which have come under attack: the cult of personality has come under scrutiny too.

Portraits and busts of Mr Toder Zhikov, the country's president and party leader, will no longer be displayed in the same way as before.

His portrait and those of other prominent living Bulgarian citizens will be taken down. The Politburo commented: "It is especially important to cease the glorification of leaders simply because of the posts they occupy." It is a view shared by Mr Mikhail Gorbachev, the Soviet leader.

W German industrial output shows further steep decline

BY PETER BRUCE IN BONN

WEST GERMAN industrial output fell 1.5 per cent in July, the Economics Ministry said yesterday. It was the second steep fall in two months.

Production fell nearly 2 per cent in June after reaching a first-half peak in May. The figures will dampen hopes that the economy, having grown more quickly than expected between April and June, has again found its feet after a bad start to the year.

The ministry said the July and June figures were unnecessarily gloomy, however. It said school holidays had begun earlier than usual this year and had inflicted more damage than usual on production. "Such effects can also not be eliminated by seasonal adjustments," the ministry said.

Output in the mining industry fell 7.5 per cent in July with June, followed by a 6 per cent fall in electricity and other utility production and small falls in the capital and consumer goods sectors.

Nevertheless, news earlier this week that the gross national product had grown 1.5 per cent in the second quarter after shrinking in January, February and March prompted a revival of optimism in the Government that its 2 per cent growth target for the year is reachable.

In fact, that goal was set after revising initial forecasts downwards and, despite the second quarter figures, most private forecasts remain stubbornly below 2 per cent. The July production figures mean Bonn may have to rely, as often on a good fourth quarter to arrive at a respectable GNP growth.

The Government's effort for the rest of the year is, however, more likely to focus on ways to manage the economy after the summer holiday officially ends next week.

After almost halving the total public deficit (federal state and communal) to around DM 38bn (£12.8bn) between 1982 and 1985, Bonn is now confronted with widening deficits. The total public deficit rose again to DM 42bn last year and will rise this year and next, say economists.

The problem is not a revival in public spending so much as a fall in income because the economy has failed to grow fast enough.

Kohl frustrates missile move

BY OUR BONN CORRESPONDENT

A SPECIAL session of the West German Bundestag, called by the opposition Social Democrats (SPD) to discuss the future of the country's 72 Pershing 1A nuclear missiles, ended without result yesterday with the troubled Government frustrating attempts to divide it further.

The sitting was called before Chancellor Helmut Kohl last week offered to scrap the missiles if the US and Soviet Union reached an arms deal this year. However, the meeting was given a new lease of life this week by fierce fighting in Mr Kohl's coalition about the offer.

The right-wing Bavarian Christian Social Union (CSU) attacked the proposal. Complaining it had not been consulted, the party refused to attend a coalition meeting called for Tuesday to prepare for the debate. The CSU did not, officially, put up speakers yesterday but helped outmanoeuvre the opposition by sending the issue to committee, where, because of the Kohl offer, it is bound to expire.

Mr Kohl, who defended his offer, came under SPD attack for not consulting parliament but the assault was clearly difficult to sustain. For the most part, opposition speakers tried to exploit the differences in the Government.

The Chancellor appealed to the Soviet Union, as he did when making his proposal last week, to stop modifying short-range SCUD missiles in Eastern Europe which mainly threaten West Germany.

Supporting him, Mr Hans-Dietrich Genscher, Foreign Minister, said real disarmament in medium-range weapons (INF) had been brought within grasp "because we have fought off the most fierce domestic political opposition—and I know what I am talking about."

Opposition in Denmark rules out devaluation

By Hilary Barnes in Copenhagen

THE leader of the Danish opposition Social Democratic Party, Mr Anker Joergensen, yesterday ruled out a devaluation of the krone if his party wins the Folketing election on September 8 and forms a government.

The statement by Mr Joergensen, a former Prime Minister, at a party press conference followed reports that one of his former cabinet colleagues had said that there would be a devaluation if the party was returned to office.

Opinion polls indicate that a Social Democratic victory is unlikely, but suggests that Prime Minister Poul Schlueter's four-party coalition could become dependent on the support of two other parties, the centrist Radical Liberals and the tax-protest Progress Party.

This combination would be so unstable, many politicians believe, that a new election might have to held.

Mr Joergensen said that the fixed exchange rate within the European Monetary System is one policy on which his party is in complete agreement with the present government.

Meanwhile, the economic spokesman of the Socialist Peoples Party, the left-wing party on which a Social Democratic government would have to rely for support, predicted in a book published yesterday that if a so-called "red" majority emerged in the election it would lead initially to sharply falling share prices, rising interest rates in the bond market and a flight of capital.

Price rises may force wage controls, Sweden warned

BY SARA WEBB IN STOCKHOLM

SWEDEN faces a serious risk of entering a new inflationary spiral, with high price increases fuelling the demand for compensatory wage increases which in turn will pose problems over employment and government policy, according to the latest economic report from Svenska Handelsbanken, Sweden's second largest bank.

The report said that the recent price freeze, which has now been dismantled, only indicated how ineffective such measures are when it comes to combating inflation.

During 1986, inflation fell to an historic low of 3.3 per cent (December to December), helped by lower oil prices. However, inflation is expected to increase in the next quarter and this year it is expected to reach 5 per cent. The bank says it will increase to 7 per cent in 1988, and warns that the government would have to stop wage increases in the next round of pay negotiations scheduled for next year if it wants to prevent inflation from rising dramatically.

The report says the strongest contributions to the economic trend have come from the private sector, particularly private consumption and domestic investment, largely because of the rise in real wages, increase in employment, and the profit development in industry.

Gross national product is expected to grow by 2.5 per cent this year, but the bank predicts that economic growth will slow down in the second half of the year and will only be about 1.5 per cent next year.

The budget deficit, which has already diminished during 1986 and so far this year, is set to turn to a surplus in 1988, the bank says.

The balance of the current account is expected to be zero this year and about minus SKr 7bn next year.

Torture 'still widely used in Turkey'

TORTURE IS still widely and systematically used in Turkey, Amnesty International, the human rights group, said yesterday, Reuter reports.

Amnesty's monthly newsletter devoted several pages to the subject, including detailed descriptions of the type of torture used by police, eyewitness accounts and a plan of one of the main centres claimed to be used for torture.

"The Turkish authorities have admitted that torture takes place but have repeatedly claimed that it is used only in isolated incidents," the newsletter said.

"Amnesty International has not observed any fundamental changes in the systematic and widespread practice of torture." Amnesty said it had received hundreds of allegations of torture in the early 1970s, although incidences dropped before rising again after the military coup in September 1980.

A civilian administration took over four years ago, the newsletter said: "At the beginning of 1987 the number of people who had been taken into custody was estimated by the newly-founded Human Rights Association in Turkey to be at least 240,000 . . . continuing reports of torture during recent months point to the fact that the pattern has shown no significant change to the present day."

Amnesty said it had submitted to the Turkish authorities the names of more than 100 people known to have died in custody since 1980. "In reply Amnesty has received information from the authorities on 82 of these cases. Most of the replies were less than satisfactory."

East-West trade 'to stagnate'

EAST - WEST TRADE will stagnate this year after falling sharply in dollar terms in 1986, a Vienna-based institute which monitors the Communist economies said yesterday, Reuter reports from Vienna.

The Vienna Institute for Comparative Economic Studies also said the net indebtedness of eastern bloc countries rose 15.2 per cent during 1986 to reach \$78.8bn. About two-thirds of the increased debt was due to exchange rate effects and one-third to actual increase in debt.

Among nations to have been hit by exchange rate changes is Poland, which owes about \$36bn. Its debt is calculated in dollars, but only about half is actually owed in the US currency, and as other currencies appreciate against the weakening dollar, its debt has risen. Hungary's indebtedness had also risen significantly.

After a nosedive in 1986, trade between East and West would show little change this year and then rise by about 2 per cent in real terms in 1988, the institute's report, East-West Trade 1986-88: Sharp Slump, followed by Stabilisation, said.

East-West trade was badly hit last year by falls in the oil price and in the value of the dollar. Soviet oil revenue was doubly hit, and countries with exports invoiced in dollars earned less money to pay for Western imports.

The exports of Western industrial nations to the entire eastern bloc fell 10 per cent to \$35.9bn last year. This was the sharpest drop in 20 years and reduced the East's share of Western exports to only 2.4 per cent, down from 4.6 per cent in 1975.

The report also said that, although Western imports from the Soviet Union rose in volume, the West paid less—\$37.2bn last year against \$38.7bn in 1985.

● The European Community's seasonally adjusted industrial production index stood at 106.7 in May, up from 106 in April, according to Eurostat, the EC statistics service, AP reports from Luxembourg.

The index uses 1980 as a basis year when the index was 100.

EASTERN EUROPEAN DEBT

	Gross debt		Net debt (gross debt minus foreign assets)	
	1986	1985	1986	1985
		($bn)		
Bulgaria	4.6	4.0	3.2	1.9
Czechoslovakia	4.1	3.5	2.9	2.5
East Germany	14.1	13.2	6.6	6.7
Poland	33.9	30.1	32.6	28.9
Romania	6.2	6.6	5.4	5.9
Hungary	15.1	11.8	8.3	6.2
Soviet Union	30.4	25.2	15.6	12.1
CMEA banks	4.2	4.1	4.2	4.1
Total	112.5	98.6	78.8	68.3

Source: Institute for Comparative Economic Studies, Vienna

Haig Simonian on why it can be hard work to sell a property

A German's house is for life

MR AND MRS MOELLER are among the lucky ones. They have had to wait only since June for a buyer for their house in a pretty hamlet in the Taunus which serves as a dormitory town for Wiesbaden and Frankfurt.

Others are less fortunate. For in spite of their economic well-being, most West Germans tend to rent rather than buy their homes. Those who are owner-occupiers can find it hard work to sell afterwards.

Only 41 per cent of Germans own their homes, according to the latest statistics for 1982, against some 60 per cent in Mrs Margaret Thatcher's Britain. Regional differences are sharp: only 11 per cent of the population in isolated West Berlin, where many Germans are drawn but few put down roots, own their own homes, against almost 54 per cent in the agricultural Rheinland Palatinate and 62 per cent in the Saarland. In Hesse—where the Moeller's live—owner-occupancy is 44 per cent.

Moreover, those Germans who do buy their own houses tend to seen them as long-term investments. Germany is not a country of shifting families, moving from state to state in search of new opportunities. Nor is it a land of frequent job changers. Germans tend to look for something solid, and then stick to it, be it a house or a job.

Add to that the effect of the country's federal system, with its deep regional loyalties, and the illiquid housing market is easier to explain. Few middle-aged Bavarians, for example, with deep family roots in the south, would easily contemplate moving north to Hamburg. So it is no surprise that the average German home owner has occupied the same four walls for an astonishing 28 years.

That makes the Moellers, who bought their house from the builder 23 years ago, almost footloose by comparison. Though both their children, brought up at home, have now grown up and moved out, the couple are not selling because of reduced family size. If Mrs Moeller did not have to move to a bungalow because of her health, they would have stayed.

Perversely, Germany's system of estate agents seems to contribute to the illiquid property market. Judging by what many buyers say, agents (Makler) are at least as unpopular as their counterparts in Britain, if not more so.

Some of the reasons, such as poor service, inefficiency and limited knowledge and information, are probably common across Europe.

The German system has some extra twists, however. For a start, commissions, which run to around 6 per cent, are relatively high. Even the best negotiator cannot haggle much below 5 per cent.

Moreover, buyers tend to get the raw end of the deal. Commissions are theoretically split between buyers and sellers. In practice, however, agents are so keen to get good property on their books that in most parts of the country they often agree in advance with a vendor to load the full commission on to the purchasers' side.

As German property is already expensive, that marginal extra 5-6 per cent can be intolerable. The result is either to decrease people's willingness to buy in the first place, or at least to spur them to get around the Makler.

Stories about how house-hunters try to circumvent agents abound.

As there are seldom for-sale signs outside German houses, prospective buyers have to turn to the local paper, in which agents advertise liberally. One of the most popular ways of beating the system is simply to pretend to be somebody else and ring the agent (or ask a friend to do so) for the exact address of an attractive-looking property, and then continue independently.

In the country, where getting around the Makler is more common than it is in the city, those less shy sometimes just ask in the local village shop.

Sellers—although they have nothing to gain from it financially—are quite content to negotiate a private deal. Judging by the numbers of ads for sale by private treaty, they encourage it. It may just be that many know canny buyers will be put off from going through a Makler to begin with. Some readily admit they think they can find a buyer more quickly by advertising privately.

> It is not a country of families moving from state to state in search of new opportunities. Nor is it a land of frequent job changers. Germans tend to look for something solid, and then stick to it, be it a house or a job.

One of the biggest disincentives to home ownership in Germany is its exemplary record on inflation. Unlike Greater London, or California in its heyday, German houses have not increased dramatically in value.

If anything, the opposite is the case. Many home owners in Hamburg, for example, the country's biggest city after West Berlin, got their fingers badly burned about three years ago when property prices crumbled. Prices have still not recovered.

At least Germany's estate agents are putting a brave face on things. According to the latest report on house values from the Ring Deutscher Makler—their trade association—the market this spring suggested prices are stabilising after no less than six years of falls.

The general downward trend in prices may have slowed, but there is no question of a "boom" either, they admit. Prices might rise by more than 5 per cent in prosperous southern cities such as Stuttgart and Munich, but "the property market in general will remain balanced on account of the continuing relatively high supply," they conclude.

For while average house prices in the economically thriving south, and in large cities near the country's population centres, are looking up, the value of equivalent property in the big northern cities—and in smaller cities throughout the country—is still slipping. Flat prices are soft all over Germany.

At least the Moeller's can smile. The DM 360,000 (£121,000) they are selling for looks good against the DM 56,000 they paid for their house back in 1964. German retail prices rose by 131 per cent in the same period.

That ignores the money the Moellers, and many like them, sunk into their property during their occupancy. Four years after moving in came a slick underground garage, later an attractive extension.

Paradoxically, the very fact that many Germans reckon they are buying for life, and invest in their homes accordingly, may contribute to the market's stickiness. For some prospective buyers, it is just those extra features and personal flourishes which loving families such as the Moellers put in that are the biggest disincentives when it comes to choosing a house or flat.

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Aquino Government to probe US role in coup attempt

BY ROGER MATTHEWS IN MANILA

THE PHILIPPINES Government announced yesterday that it would investigate possible American involvement in last Friday's failed coup attempt.

Mr Rafael Ileto, the Defence Secretary, said after a meeting of the Cabinet chaired by President Corazon Aquino, that while US involvement had not been proved it was thought wise to consider the possibility.

Mr Ileto's announcement was the latest in a series of statements by political, military and religious leaders, which seem likely to deepen public confusion about the military rebellion while also underlining the extent of the disunity at the most senior levels.

The US embassy in Manila has already denied that any American personnel could have been linked to the uprising and repeated that President Reagan fully supported Mrs Aquino and her Government.

Ileto: not proved.

The only basis for the Government investigation appears to be reports in several of Manila's 23 daily newspapers that a helicopter from the Clarke US airbase had rescued Col Gregorio Honasan, the coup leader, when it became clear that loyal government troops were gaining the upper hand.

At the same time Mrs Aquino sharply rebuffed the call by Gen Fidel Ramos, the chief of staff, for an urgent meeting of the *National Security Council. Her* Press secretary, Mr Teodoro Benigno, said she would be calling in congressional and business leaders but there was no question of the National Security Council meeting.

Other government officials, meanwhile, ridiculed the suggestion that the reported, but equally unproven, provisional government and military junta said to have been set up by Col Honasan posed any threat to the country's stability. Mr Emmanuel Soriano, the National Security director, said no one would pay any attention to the purported junta, again directly contradicting the views expressed by Gen Ramos, the previous day.

The Cabinet decided yesterday to give Col Honasan and other rebel officers 90 days to give themselves up, or face the prospect of losing their commissions and all other benefits. The search for the men, said officially to number about 200, was widened yesterday and moved closer to Manila.

More senior officers, including a brigadier general, have been sacked for supporting the coup while 220 air force personnel were released from detention. Another 330 air force staff are still being detained.

Families of the 800 army officers and men held on two navy vessels anchored in Manila Bay were yesterday allowed on board for what seemed to be relaxed and cheerful reunions.

Cardinal Jaime Sin, the politically influential archbishop of Manila, who had limited his comments to prayers for the safe deliverance of the elected government, has now joined in the controversy over the coup, saying that it had nearly been successful because of the re-emergence of graft and corruption in government. "Ali Baba and his 40 thieves have resurfaced," he said.

Francis Ghiles considers economic prospects in the context of political uncertainty

Tunisia takes tough IMF medicine

TUNISIA IS meeting all the targets set out in the standby agreement it signed with the IMF last autumn and which ushered in a period of unprecedented austerity and structural changes in the economy. The Minister of Planning and Finance, Mr Ismail Khelil now believes that, in spite of severe cutbacks in public expenditure and wages, the growth of GDP could reach 5 per cent for 1987 against initial projections of 4.4 per cent. Despite the devaluation of the dinar, which has fallen by 47.6 per cent against the French franc since August 1985 and 7.9 per cent against the US dollar, inflation is not expected to be above 8 per cent for the year as a whole. Hard currency reserves, at TD 94m, now cover two months' worth of imports whereas last summer they were non-existent.

A good cereal harvest of 1.8m tonnes, higher receipts from tourism, increased remittances from Tunisian expatriate workers and export revenues from fish and clothing have already cut the trade deficit by 29.6 per cent to 318.3m Tunisian Dinars (TD) (£232.2m) for the first six months of this year compared with the same period in 1986.

It is in this context that the major IMF targets are being respected. The current account deficit for the first six months of the year was TD 162.8m, slightly above half the projected figure for 1987. The budget deficit which reached 5.3 per cent of GDP last year is expected to decline to around 4 per cent in 1987. The growth in money supply, however, appears to be running somewhat ahead of target.

An IMF standby loan worth SDR 218.4m, a further IMF compensatory financing facility, two structural adjustment loans from the World Bank worth US$150m each and aid from Tunisia's Western and Middle East friends have all contributed to these achievements. But they have been bought at the cost of a sharp fall in domestic demand, which in turn has led to many lay-offs in private and state industries and to the virtual freezing of a number of projects, not least of which is the recently built General Motors truck assembly plant in Qairwan.

The months ahead are not going to be easy, especially for the state enterprises which account for 60 per cent of industrial output and employment and are often grossly overstaffed. Productivity in such para-statal companies slipped badly in recent years as precious resources were diverted to maintain investments and employment in companies which were more often than not making a loss. Private companies meanwhile are being hit by a combination of a credit squeeze and a fall in demand.

Ismail Khelil: believes growth could reach 5 per cent.

The new economic development plan which was endorsed by the National Assembly at the end of July calls for investments of TD 10.4bn over five years, that is less, in real terms than during the previous plan. Non-oil exports are expected to grow by 8 per cent annually with tourism consolidating its position as Tunisia's single largest source of foreign currency. This year over 1.5m European visitors are expected to earn the country nearly TD 500m, a 25 per cent increase on last year's figure.

The devaluation of the dinar has provided a boost to the export of textiles, clothing, fish and olive oil. It has also encouraged workers abroad who remitted during the first six months of this year TD 128m—56 per cent up

The growth in GDP this year, which comes after a decline of 0.9 per cent last year, will go exclusively towards promoting exports and servicing the country's foreign debt, which is expected to reach US$5.5bn by the end of 1987. The debt service this year amounts to just over $900m—about 30 per cent of all exports.

Investment during the next five years will go to the farming sector (20 per cent) where the aim is to make the country far more self-sufficient in food than hitherto, small projects (27 per cent) and some infrastructural works. Investment in education will absorb TD 270m and undergo major changes aimed at creating more skilled workers and technicians, and fewer lawyers, doctors and arts students.

Creating 2,400 new jobs outside agriculture is a tall challenge and is unlikely to be met if labour is not shed in major state companies. Unemployment and severe under-employment affect an estimated quarter of the adult population.

These figures and others, particularly those concerning personal incomes which have declined by an estimated 15 per cent since 1984, are difficult to measure accurately, as the black economy may account for as much as 20 to 25 per cent of GDP.

Over the next five years the Government led by Mr Rashid Sfar is aiming to transfer resources from unproductive sectors such as car assembly plants to productive ones such as agriculture, food processing, tourism and services. Consultancy and engineering advisory companies are springing up for which there is no lack of well educated and enterprising young Tunisians.

However, to unshackle an economy which is over-burdened with rules and regulations more reminiscent of the erstwhile colonial power, France, half a century ago, than of the modern world requires the full confidence of the private sector.

Because of the political turmoil of the past 18 months — the sacking of the former Prime Minister, Mr Mohammed M'Zali, the decision of President Habib Bourguiba to divorce his second wife Mrs Wassila Ben Amar — and the witch hunt for corruption which followed, confidence remains shaky. The policies initiated by the Prime Minister and his Minister of Finance do not lack boldness, nor do they suffer from lack of support in the West. It is more the domestic political climate which could well provide however the key to the relative success, or failure, of the economic reforms initiated in 1986.

Former army chief 'took part in June plot'

A REPORT released by the Philippines Government alleged that a former army commander was involved in plots leading to last week's coup attempt, AP writes from Manila.

President Corazon Aquino, in the first official account of casualties from the coup attempt, said 53 people were killed in the fighting. The dead included 12 government troops, 19 rebels and 22 civilians. Hundreds were wounded, including Mrs Aquino's son, Benigno.

In a nationally televised speech, Mrs Aquino said 1,350 troops took part in the mutiny, although it was unclear whether the figure included those who joined in Cebu City, San Fernando and in southeastern Luzon.

She said 1,033 mutineers were in custody. The military announced yesterday that a third general had been relieved in connection with the mutiny.

The search for the coup leader Col Gregorio "Gringo" Honasan had so far been fruitless and air and ground searches by the military were yesterday intensified. Mrs Aquino said Honasan "wanted to kill me and run our government."

"I grieve for the dead on both sides," she said. "When I ordered the attack I knew that there would be violence. But it was necessary because I had to prevent greater violence."

An "after battle" report, prepared by presidential security and released by the palace press office, said intelligence agents received reports that former army commander Maj Gen Josephus Ramas and Col Honasan planned a "blitzkrieg attack" last June but the operation was postponed.

● The Philippine military had several hours warning of last Friday's coup attempt, President Aquino's chief bodyguard said yesterday, Reuter adds.

Meanwhile, the country's defence chief said the coup leader still had a force of 2,000 men and could launch a new revolt.

Pakistan ethnic riots leave 750 in jail

HUNDREDS OF people have been arrested and dozens of weapons seized in southern Pakistan in an operation to quell ethnic riots, police said yesterday, Reuter reports from Karachi.

A government spokesman said about 750 people had been arrested since Friday in house raids and the flags of ethnic groups had been removed.

In Karachi, troops were enforcing a curfew imposed last week after the outbreak of riots between Pashtun and Mohajir groups in the city and Hyderabad. Thirty-five people were killed and 200 were injured in the violence which began when the flag of a Pashtun organisation was raised in the predominantly Mohajir Faisal colony near Karachi's international airport.

Pashtuns from the North-west Pakistan and Mohajirs who migrated from India have a 20-year-old rivalry. About 350 people have been killed in ethnic riots in the past 11 months.

● Severe drought and floods in India may cut the growth rate of India's national income to nearly 1 per cent in the financial year ending March 1988, from 5 per cent in 1986-87, a Finance Ministry spokesman said, in New Delhi yesterday.

National income rose to about Rs 2,000.56bn (£95bn) in 1986-1987 from Rs 1,905.3bn in 1985-1986, according to government figures.

Peking sets date for party congress

CHINA'S FIRST Communist Party Congress in five years will begin on October 25, national radio said yesterday in the first official announcement of the date, Agenies report. Speeding up the country's economic reforms would be the main subject at the meeting, the radio's evening news said.

Elderly leaders would retire at the congress and be replaced by younger party members, the radio said. No names were mentioned.

In Hong Kong it is reported that leaders have agreed among themselves on who will fill senior political positions following the party congress. The conservative English-language South China Morning Post, claimed that Peking leaders reached agreement last week after four weeks of debate at the seaside resort of Beidaihe.

The Morning Post said Deng Xiaoping, the ageing Chinese supreme, who has said frequently that he wants to leave the Politburo Standing Committee of the Communist Party, will retain full control of the country's 4m-strong army. He will remain as chairman of the party's Military Affairs Commisison and the State Central Military Commission, the newspaper said.

S African mines death toll may rise to 62

A LIFT cage which plunged down a South African mine was probably carrying 12 more workers than first reported, which could raise the feared death toll in the disaster to 62, the mine owners said yesterday, Reuter reports from Johannesburg.

The mine owners said the 12 were from an outside contracting company and may have been on the lift which hurtled down a 1,367 metre shaft at the St Helena gold mine in Welkom, southwest of Johannesburg, after an explosion on Monday.

There was no explanation why two days passed before suspicions about 12 more missing people had been aroused.

"One cannot say for certain (how many died) until one has reached the lift," Mr Harry Hill, a spokesman for the mine owners, Gencor, said.

Another spokesman, Mr Gary Mande, said it would take weeks to reach the lift cage, which is buried under a mass of wreckage and rubble.

The St Helena disaster, the worst in South Africa's mines this year, was a tragic postscript to the country's biggest and costliest miners' strike, which ended less than 24 hours before the mine explosion.

Meanwhile, one black man died and 15 people were injured in clashes in at least nine areas of South Africa, police said yesterday.

The death occurred on Tuesday near Durban, in Natal province, when police chased a pick-up truck carrying blacks who had robbed a car driver, police said in a terse summary of violence in the past 24 hours.

One of two blacks who jumped off the truck died.

WORLD TRADE NEWS

Brussels moves on 'know-how' accords

By William Dawkins in Brussels

The European Commission has given provisional exemption from competition restrictions to technology accords involving two British companies.

The move is the latest example of the Brussels authorities' attempts to prevent the EC's stiff anti-cartel rules from impeding trading agreements that help the spread of new technologies.

Protection

It gives legal protection to a know-how licensing accord between Jus-Rol, the British bakery products supplier and Rich Products Corporation, a US foods group.

Provisional clearance has also been given to Metal Box (UK) to set up a joint subsidiary, Odin Development, with the UK arm of Elopak, the Norwegian packaging company. In both cases, the Commission is awaiting comments from those likely to be affected before giving the final go-ahead.

The Commission has over the past few months launched two draft proposals to exempt franchising and know-how licensing accords from EC bans on trade agreements likely to distort free competition.

Jus-Rol is to have the exclusive rights in Britain to a method devised for Rich Products for keeping yeast alive when frozen and is being given individual clearance while the general exemption works its way through the EC decision making process.

Research

The Elopak project with Metal Box (UK) aims to do research for a paperboard package which could replace tins as a container for semi-solid food.

The Commission said competition for new ways of packaging food is already intense and that Elopak and Metal Box individually lacked the technology for the product to be researched. On those grounds, it felt the accord would not distort open competition in European packaging.

Peter Montagnon, World Trade Editor, on a proposal that would release new money to Lagos

Nigeria pressed to end uninsured trade credit dispute

NIGERIA IS coming under fresh pressure to resolve its long-running dispute with uninsured trade creditors so that commercial bank lenders can meet their mid-September target deadline for signing up a $320m credit to the government of President Ibrahim Babangida.

Bankers in London say they hope Nigeria will reply within the next week to 10 days to a fresh rescheduling proposal put to the Finance Ministry in Lagos by Mr David Murison, financial adviser to the Law Debenture Trust which represents holders of uninsured trade credit that has been converted into promissory notes.

Mr Murison's proposal, transmitted to Nigeria last week, came in reply to an earlier Nigerian rescheduling offer from Lagos that was turned down by the Law Debenture Trust as being unlikely to meet with creditors' approval.

At stake in the negotiations are trade credits extended by a range of suppliers to Nigeria without the backing of official export credit agencies. Creditors claim these debts amount to some $9.6bn, though Nigeria disputes this figure and has so far issued promissory notes acknowledging debts in respect of only $3.25bn.

Though Nigeria has developed an elaborate $4bn debt rescue package with its commercial bank creditors alongside the World Bank and International Monetary Fund, it has so far failed to come to a settlement on the uninsured debt amid fears that some bank creditors will refuse to sign the loan unless a satisfactory solution is reached.

Its proposal to the Law Debenture Trust last month fell far short of acceptability, however. Uninsured creditors were offered a rescheduling with a 25-year maturity, an interest rate of 4 per cent and a grace period lasting until 1990 before any payments would be made.

Officials of the Law Debenture Trust decline to detail the proposals contained in the counter offer, but it is understood to aim for a minimal grace period so that cash-flow can resume on the debt as soon as possible as well as a much shorter maturity than 25 years.

Rumours that Dr Chu Okongwu, Nigerian Finance Minister, would visit London shortly to discuss the uninsured debt could not be confirmed yesterday, however. Bankers said it was at this stage almost impossible to predict which way the Nigerian administration would jump.

On the one hand, it is faced with a continuing shortage of foreign exchange, which means that some capitalisation of interest on the uninsured debt is inevitable. Interest arrears on this debt amount to some $600m, which is almost twice the amount of new money scheduled to come to the Government under its new commercial bank loan.

One view is that its proposal to uninsured creditors was carefully worked out in the context of available financial resources and is unlikely to be changed.

On the other hand some bankers see strategic merit in reaching an agreement with uninsured creditors so that the commercial bank rescheduling package can go ahead. The involvement of some banks, particularly Japanese institutions, with uninsured debts has been cited as one reason for the long delay in signing the commercial bank package.

Chu Okongwu: may visit London.

Even if Nigeria did agree to discuss the Law Debenture Trust proposal, the problem of the uninsured trade credits is unlikely to be finally resolved for several months at least. Still fraught with uncertainty is the process of reconciling the claims of creditors with Nigeria's own records, a task for which Nigeria has sought the assistance of Societe Generale de Surveillance, the Geneva-based trade inspection company.

At the heart of the dispute is also the question of principle over whether all creditors should be treated equally in reschedulings. While many bankers pay lip service to the notion of equal treatment, uninsured creditors have found it hard to make their voice heard in the long-drawn out rescheduling process. Many of them are reluctant to court publicity for fear of damaging their future commercial relations with Nigeria.

Behind the scenes the UK authorities have put pressure on the Babangida administration to resolve the issue, but the official line from the Export Credits Guarantee Department is that it has no formal role to play in assisting creditors who chose initially to do business in Nigeria without official export credit insurance.

The temptation for Nigeria has thus been to relegate uninsured creditors to the bottom of the heap, a tactic which so far has cost it little in terms of relations with other creditors.

Though signing of the commercial bank loan may be delayed if no settlement for uninsured debts is reached, there is no formal link between the two operations. Meanwhile the bargaining power of uninsured creditors has been weakened by the ECGD decision last month to restore medium-term export credit facilities to Nigeria.

While discreet but forceful negotiations between the Law Debenture Trust and Lagos rumble on, officials at the ECGD are already working out details of fresh official credit in support of UK exports.

US hails Japan move on Soviet export curbs

THE US has welcomed Japan's moves to tighten controls on strategic exports to the Soviet bloc but has stressed the need for Tokyo to employ sufficient staff to implement the controls, Reuter reports from Tokyo.

"We believe you have made a significant first step," said Mr Paul Freedenberg, Assistant Secretary of Commerce. He added: "You need to have a level of commitment in the implementation of these laws. I hope the Japanese Government will hire and train enough people."

A bill to stiffen penalties for illegal strategic exports under the Foreign Exchange and Foreign Trade Control Law has been passed by the Japanese parliament's Lower House and is expected to pass the Upper House soon.

Japan also plans to increase the number of strategic export inspectors next year to 80 from 60. But US trade officials pointed out that the increase was too small when compared with the US, which has more than 500 inspectors.

Bolivian gas supplies to Argentina in balance

BY TIM COONE IN BUENOS AIRES

THE FUTURE of Bolivian gas supplies to Argentina hangs in the balance, following the failure of bilateral talks this week to resolve a dispute over prices.

Bolivia exports daily 200m cu ft of natural gas to Argentina, under a 10-year contract signed in 1972 between the two military governments of the time.

However, since 1983, Argentina has been trying to renegotiate the preferential pricing arrangements, which set the price at $3.70 per 1,000 cu ft, which is considerably above the price of Argentina's own gas which is a by-product from its oil industry. At present, some 20 per cent of Argentina's natural gas production is flared off due to bottlenecks in pipeline capacity.

Under an interim arrangement, Bolivia agreed to accept one-third of the payments for the gas in hard currency, with the remainder credited to an account at the Argentine central bank for the purchase of Argentine industrial goods.

According to Mr Daniel Montamat, a director of YPF, Argentina's state oil company, Bolivia has not made adequate use of the account and by the end of 1986 had run up a balance in its favour of $400m. Argentina is also seeking a reduction in the price of the gas supplies to $1.90 per 1,000 cubic metres.

After the failure of the bilateral talks on Monday, the Bolivian Foreign Minister, Mr Guillermo Bedregal, said that a meeting of foreign ministers would be required to resolve the dispute "at a political level," as talks at a technical level over the past year had failed to reach agreement.

Bolivia depends on its gas exports to Argentina for almost half of its hard currency earnings. The Argentine Government however is under pressure to reduce costs and cut wastage in its own gas industry.

Argentina's efforts to put together a Latin American common market, as exemplified by the trade accords signed with Brazil over the past year, also place emphasis on balanced bilateral trade within the region to promote industrial, and especially capital goods, production in Latin America.

Malta plans to invest £170m in phone links

By Godfrey Grima in Valletta

MALTA'S new government is planning to invest around £M40m (£170m) to update the island's domestic telephone system and international telecommunication links.

Several international companies including ITT of the US are believed to have approached the government for a brief on its requirements.

Malta's telecommunication facilities, particularly the domestic systems where 43 per cent of the population subscribe to the telephone service, have been expanded considerably in the past 16 years.

In the mid-1970s, French and Italian companies installed an additional 28,000 lines and a decade later, by 1986, British and West German companies were busy laying another 20,000 lines to bring the total number of sets in use to 137,246.

The new government apparently envisages that a fully computerised telecommunications system involving the use of fibre optic lines will help to play a leading role in revitalising Malta's industrialisation programme.

Japanese computer groups boost exports—at a cost

BY DAVID THOMAS

JAPANESE computer companies increased their exports last year, despite the high value of the yen, but at the cost of depressed revenues and tighter competition in their home market, according to a new survey.

The survey, by Datamation computer magazine, shows that Japanese exports of computers and peripherals rose 10.3 per cent last year, compared with 1.7 per cent in 1985.

However, to keep dollar prices the same between 1985 and 1986, a Japanese company had to accept an average of 29 per cent less in yen for the same piece of equipment, which fed through into depressed profits, the survey argues.

Ironically, one of the companies most hurt by export dependence was IBM's Japanese subsidiary,

The survey argues that Japanese manufacturers have been fighting even harder over their domestic market because of the tougher conditions in the US. As a result, computer imports into Japan fell by 21.3 per cent last year, despite the cheap dollar.

The Japanese computer market is recovering from the slump of 1985, the survey says. Last year, computer sales in Japan were up 9 per cent, compared with 1.9 per cent in 1985, with demand particularly strong from the financial sector.

Living with the High Yen. Datamation, 27 Paul Street, London- EC2A 4JU.

TOP FIVE COMPUTER COMPANIES IN JAPAN 1986

Company	Japan computer revenue ($m)	Year-on-year % change ($US)	Year-on-year % change (Yen)	Total computer revenue ($m)
Fujitsu	5,457.8	54.7	9.5	6,575.7
NEC	5,122.9	72.8	22.3	6,324.6
IBM Japan	3,821.1	38.1	−2.2	49,591.0*
Hitachi	3,806.7	62.2	14.8	4,728.8
Toshiba	1,979.8	53.8	8.9	2,605.0

Source: Datamation

Canadian province plans potash quotas

THE CANADIAN prairie province of Saskatchewan, the world's second-largest source of potash, has introduced quota legislation in what could become a potash war with the US, AP reports from Ottawa.

The Government of Premier Grant Devine acted on Tuesday to curtail output in response to a preliminary US Commerce Department ruling last month in favour of two US potash companies which accused Canada of dumping the mineral below the border at less than production cost.

The department set duties ranging from 9.14 per cent to 85.2 per cent which Canadian producers must post in cash or bonds until the dispute is finally settled in November.

Saskatchewan, which produces 80 per cent of the potash used by American farmers to fertilise their crops, says the duties will cripple the province's third-largest industry, jeopardising 3,600 jobs, and will unnecessarily increase costs for US farmers.

US-bound potash from Saskatchewan and two mines in New Brunswick earned Canada $425m last year, but the rival producers in the southwestern US state of New Mexico said they could not compete because of the price differential.

Canada rejected the dumping complaint, filed last February, and blamed low prices on a world glut of the mineral. The Soviet Union is the world's largest potash producer.

The federal government of Prime Minister Brian Mulroney expressed strong dissatisfaction with the US Commerce Department ruling but declined to take up an opposition party suggestion to retaliate by halting all potash shipments.

Saskatchewan officials said quotas could quickly decrease the world surplus and perhaps influence US farmers to pressure the US to scrap the duties.

The Potash Resources Act introduced by provincial Mines Minister Pat Smith will set up a three-member potash management board empowered to set quotas at each mine to hold down production, reduce oversupply and eventually raise prices.

Canadian mines, including the government-owned Potash Corporation of Saskatchewan, will face stiff fines if the quotas are not followed.

AMERICAN NEWS

De la Madrid sticks to his guns in tackling Mexico's 130% a year inflation

IT WAS an upbeat speech by a confident president. In his penultimate State of the Nation address President Miguel de la Madrid this week offered no surprises but exhaustively outlined the country's achievements over the past 12 months, writes Caroline Southey in Mexico City. As Mexicans enjoyed a national holiday and digested thet news of meat price rises, the president, in a televised address, gave them a five-hour discourse on how the nation had risen to the challenge of successive calamities and staved off the collapse of the economy.

"Our country has more assets than liabilities, more future than past," he declared.

Mexico had overcome a sharp drop in oil prices; a fall in export volume; a decline in foreign exchange earnings; the lack of access to external credit; and the economic effects of which were still being felt.

That many of these problems appear less threatening than they did a year ago cannot be disputed; oil prices are rising, other exports have continued to grow, rising 26 per cent in the first six months of this year compared to he same period last year; a debt accord has been signed, providing $12bn of new loans; international reserves have grown and financial savings have increased in real terms as capital has returned to the country.

The biggest achievement was the increase in the Bank of Mexico's monetary reserves to $14.59bn, a rise of $10bn since last year. The increase was partly as a result of a trade surplus of $4.76bn and a current account surplus of $3.12bn in the first six months of the year.

Mr De la Madrid gave no indication as to how the funds will be used, but in an attempt to dampen fears about spiralling inflation he made it clear that the money would be used cautiously.

The one unresolved economic problem remains inflation, now running at 130 per cent a year. Mr De la Madrid reiterated the Government's claim that although it was too high it was "not out of control." But some analysts fear he is underestimating the size of the problem.

No new solutions were offered—merely a reiteration of continued reliance on fiscal control, realistic prices and interest rates, a flexible monetary and exchange policy and freer trade.

This persistent adherence to policy has pleased the Mexican Government's friends and irked its critics. To Mr Tim Heyman, a stock analyst, the president's speech was "just what people wanted."

"People have not shaken off the traumas of previous presidential reports," he said. These have been used in the past to announce major economic reforms. In 1976 and 1982 the departing president shocked the Mexican private sector by announcing the expropriation of land and the nationalisation of banks.

A Mexican bank official echoes the sentiment. "By remaining committed to the economic policies he has outlined, Mr de la Madrid has given us confidence that the problems ahead, primarily inflation, will be kept under control.

Others, however, are impatient. Mr Gerardo Valdez, an economist, predicted that the Government was making short-term economic gains at the expense of longer-term considerations. "Of course the president is right that the Government's current economic programme is working perfectly in terms of making the economy, employment and investment grow.... But the programme is achieving growth by artificial means—great liquidity in the economy."

He said there were fears that this would lead to higher inflation later—possibly after the 1988 elections.

The powerful Government-aligned trade union body, the Mexican Workers' Confederation, has become increasingly restive.

But with an eye on the imminent announcement of his successor, Mr de la Madrid scrupulously avoided controversy. "We are going to have our accounts in good order," he said.

Whether all the sums add up remains to be seen.

President De la Madrid:

Argentina's visible trade surplus suffers sharp decline

BY TIM COONE IN BUENOS AIRES

ARGENTINA'S visible trade surplus has fallen 56.7 per cent in the first half of 1987, according to official figures published yesterday.

The surplus was $610m, compared to $1,408m in the first half of 1986. Exports fell 8.7 per cent to $3,178m while imports rose 23.9 per cent to $2,568m.

The figures underline the steady deterioration in Argentina's balance of payments despite major efforts over the past two years to stimulate exports and thereby generate a surplus to service its $54bn foreign debt.

New loan agreements made earlier this year with the IMF, World Bank and Argentina's 320 creditor banks were calculated on the basis of an expected visible trade surplus greater than $2,400m in 1987, and a corresponding current account deficit after interest payments of $1,700m.

ARGENTINA'S VISIBLE TRADE SURPLUS

First six months of the year ($m)

	Exports	Imports	Surplus
1984	8,107	4,585	3,522
1985	8,396	3,814	4,582
1986	6,523	4,513	2,010
1987	3,178	2,568	610

Source: Ministry of Planning

These figures will now have to be substantially revised as year end results are likely to show a visible trade surplus of little more than $1bn, given that the bulk of Argentina's grain exports take place in the first half of the year.

Argentina can therefore be expected to require substantial sums of "fresh money" from its creditors and multilateral financing institutions in the coming year.

● A provincial police strike in Argentina, which started last week in the southern city of Neuquen, spread yesterday to the outskirts of Buenos Aires.

The strike started last Wednesday when 600 middle- and lower-ranking policemen refused to carry out duties and occupied their police station in the capital of Neuquen province, demanding a 100 per cent pay rise, a claim which was later reduced to 50 per cent.

Yesterday, 100 policemen at one of the 64 police stations on the outskirts of Buenos Aires also joined the strike, saying that a promised pay rise had not materialised. They are also demanding higher salaries and better conditions of service. They claimed they had support from several other stations around the capital.

Attack on Verity nomination

BY NANCY DUNNE IN WASHINGTON

MR JACK KEMP, a candidate for the Republican presidential nomination, yesterday attacked Mr William Verity, President Reagan's nominee for Commerce Secretary, for supporting an increase in Soviet-US trade relations. He was backed by 22 conservative groups.

A declaration, sent to each member of the Senate Commerce committee, which is to consider the nomination next week, said Mr Verity's position on issues related to export controls and Jewish immigration "warrants intense scrutiny" and "raises serious questions concerning his suitability for the post of Commerce Secretary."

Although the nomination is expected to win approval, it puts one more controversy on the president's platter, as his administration prepares for a major fight with liberals over the latest nomination to the supreme court.

In this case, the conservatives, who rarely challenge Mr Reagan's major appointments, are complaining of Mr Verity's consistent efforts to decouple the issue of Jewish emigration from the Soviet Union and Soviet-US trade.

Canadian union aims for Chrysler

By David Owen in Toronto

THE Canadian Auto Workers Union has selected Chrysler Canada as its main target for labour contract bargaining and set a deadline of September 14 — when existing contracts expire—for a deal to be reached.

The move follows the Detroit-based United Auto Worker's decision to single out Ford, the North American car industry's current profit leader, as the main target for bargaining south of the border. UAW labour contracts with both Ford and General Motors also expire on September 14.

Canadian Auto Workers president Mr Bob White described the decision to go a different route from the UAW as "just a hunch." The union expects to get Chrysler's full attention because the company is not involved in talks in the US this year, he added.

The CAW, which split from the United Auto Workers in 1985, received a strike mandate from its members earlier this week.

Inflation protection for the industry's swelling complement of pensioners is expected to be the main bone of contention in the Canadian talks.

Shuttle motor tested

THE US National Aeronautics and Space Administration said yesterday it had begun testing engines to be used in the next launch of a space shuttle scheduled for June 1988, Reuter reports from Washington.

Canute James in Kingston on the complexity of the Caribbean smuggling network

Battle to beat drug traffickers

IN SOME parts of the Caribbean, the words "hat trick" and "bat" may not immediately draw attention to a game of cricket, but to a problem which, for some of the region's governments, promises nightmares more frightening than those served up by West Indian fast bowlers.

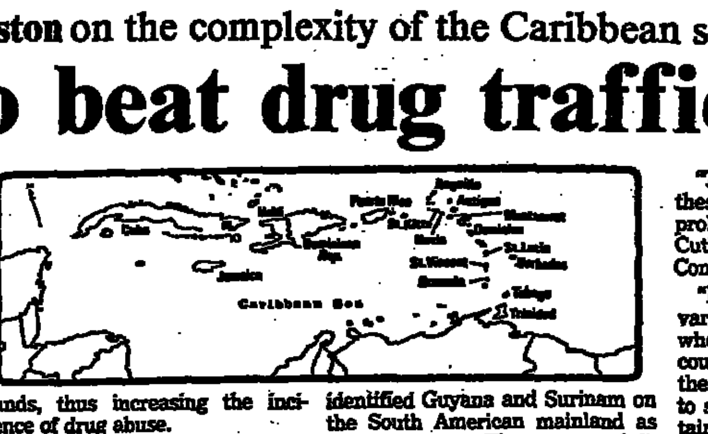
Hat trick, bat and the more esoterically named "blue lightning" and "thunderstorm" are codes for operations mounted by regional governments and US law enforcement agencies to curb the production of marijuana and the smuggling of that drug and of cocaine from the Caribbean to the US.

Some of these operations have been successful, but there are increasing indications that more needs to be done, particularly in the eastern Caribbean which has become a virtual sieve through which drugs, mainly cocaine, are being shipped from South America to the US.

In Jamaica – one of the major drug smuggling areas – 4,300 hectares of marijuana were eradicated last year, against 955 hectares in 1985, according to the US Drug Enforcement Agency. In Belize, 2,425 hectares were destroyed last year, about five times the area destroyed the year before.

But government officials in several eastern Caribbean countries have concluded that stemming the flow of cocaine will not be as easy as dealing with home-grown marijuana.

And there are fears that some of the drugs passing through the region will find their way into local hands, thus increasing the incidence of drug abuse.



"The drug problem has reached frightening proportions," says Mr John Compton, Prime Minister of St Lucia. "If the trade continues at the present level, the traders will soon be able to control governments," he says.

Mr Ray Robinson, Prime Minister of Trinidad and Tobago, agrees. "The power and complexity of the criminal drug network is such that it has penetrated to the very fabric of our societies and threatens to corrupt our most sacred institutions."

The geographical disposition of the region works to the benefit of the traffickers. Small planes, many amphibious, island-hop through the eastern Caribbean archipelago with their cargo, undetected by inadequate surveillance. Small boats use the thousands of coves and inlets with ease.

The fact that many island governments view pleasure boating as a potentially lucrative form of tourism, is providing cover for smugglers.

It is not only the islands which are being used. A recent report from the US State Department identified Guyana and Surinam on the South American mainland as favoured routes. There are no definite figures on the volume or value of the drugs passing through that region to the US, but the size of some drug finds gives an indication.

In the Dominican Republic, for example, a ship travelling from Venezuela to Miami was found to be carrying cocaine with a street value of $125m.

Mr Robinson has spoken of the need for the coast guards of the region to collaborate to deal with smuggling. But the coast guards are small, limited in some cases to no more than one patrol boat for each country.

Few of the small, economically hard-pressed Caribbean countries can afford the money needed to combat the traffickers, leading the Trinidadian leader to suggest that the eastern regions need the help of the US Government – the country to which the drugs are destined.

Even within the limitations of efforts at "greater policing and harassment" of smugglers, as suggested by Mr Compton, there are indications that the resources of the traffickers can immediately defeat any programme offered by the Caribbean governments.

"The criminal drug network in these islands have absolutely no problem with money," says Mr Cuthbert Phillips, St Lucia's Police Commissioner.

"Look at the corruption in our various (police) forces. Too often, when cocaine is moving from one country to the other, you find that the traffickers' budget is prepared to show how much is going to certain governments, how much is going to the police, how much is going to customs and how much is going to the airlines. All that is well worked out."

The pervasive influence of the traffickers has been demonstrated by the convictions in US courts of government ministers from the Turks and Caicos islands and from Surinam, all of whom were held on drug charges. An official inquiry in Trinidad and Tobago is said to have found former government officials and police officers to be involved in drug trafficking.

The magnitude of the problem for the eastern Caribbean is indicated in Mr Compton's suggested solutions. Besides the harassment of the traffickers, the Prime Minister would like to see increased public education on the dangers of trafficking and abuse, and "economic activities to remove the breeding ground of recruits into this army of evil."

In a region which is struggling with little success to reduce unemployment from an average 22 per cent, there are likely to be more than enough hands attracted to what the traffickers are offering.

UK NEWS

Lawson says interest rates are high enough

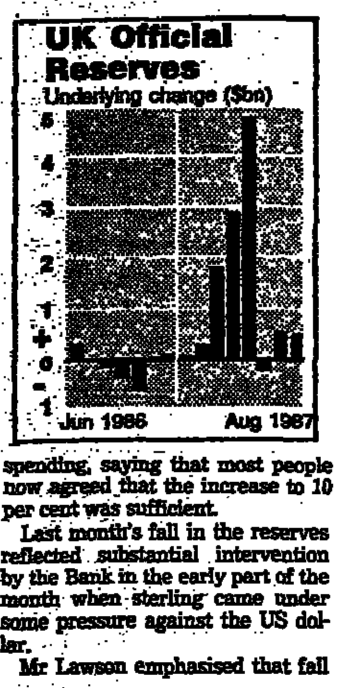
BY PHILIP STEPHENS, ECONOMICS CORRESPONDENT

MR NIGEL LAWSON, the Chancellor of the Exchequer, yesterday underlined his commitment to a further period of stability for the pound and said that last month's rise in interest rates would be enough to contain inflationary pressures in the economy.

He was speaking after the publication of official figures showing an underlying fall of $457m in Britain's foreign currency reserves last month, reflecting Bank of England intervention to support the pound.

In an upbeat assessment of the economic outlook Mr Lawson said that he expected the inflation rate to fall later in the year, probably to below 4 per cent. At the same time the pace of economic growth was now running above the 3 per cent forecast at the time of the budget. Britain, he said, was the "outstanding performer" among the industrialised nations.

The Chancellor dismissed speculation that he could be forced into further interest-rate rises by an unsustainable surge in consumer



spending, saying that most people now agreed that the increase to 10 per cent was sufficient.

Last month's fall in the reserves reflected substantial intervention by the Bank in the early part of the month when sterling came under some pressure against the US dollar.

Mr Lawson emphasised that fall should be seen against the background of February's Louvre accord under which the major industrial countries agreed to stabilise exchange rates. While the reserves had fallen in August, he added, there had been an overall rise of nearly $10bn so far this year, reflecting earlier intervention to prevent the pound from rising.

Industry and business wanted above all exchange-rate stability and the Government would continue with a policy of keeping the pound steady, he said.

Last month's intervention does suggest, however, that the threat during the summer of rising inflation prompted the Government to nudge up its informal target range for the pound. It came at a time when the pound was still above the DM2.90 which the Chancellor had earlier indicated was an appropriate level for sterling.

The Treasury said that the reserves stood at $34.4bn at the end of August against $34.9bn at the end of July.

Williams and Owen clash over future of Social Democrats

BY PETER RIDDELL, POLITICAL EDITOR, IN PORTSMOUTH

THE SOCIAL Democratic Party conference in Portsmouth yesterday ended on a note of sharp disagreement between Mrs Shirley Williams, the party president, and Mr David Owen, the former leader, over their attitudes towards the future of the SDP.

This was in spite of an attempt by Mr Robert MacLennan, the new leader, to present an impression of unity and to open the way for early negotiations with the Liberals over a merger of the two parties. He stressed the Trident nuclear missile would not be made a point of principle in these talks.

Dr Owen claimed in a BBC interview to have the support of 40 per cent or more of the conference in his desire to retain an independent Social Democratic identity.

He accused the pro-merger group of a loss of nerve and of "chickening out" in not being prepared to continue the fight for the SDP, and of therefore reverting to "the old politics."

In her end-of-conference wind-up, Mrs Williams firmly denied ever having "chickened out of anything." She said the party's negotiators would be "tough."

This exchange highlights the depth of feeling and divisions of the conference which ended yesterday evening with many participants expecting that there would be two different parties by next autumn.

This follows the vote on Monday by the conference against the anti-merger group's desire to allow members a choice of joining a new merged party or remaining in the SDP.

The leaders of the majority pro-merger group want to get the talks under way quickly, despite the openly expressed scepticism of Dr Owen that there are many points of difference between the parties.

Mr Maclennan yesterday sought to clarify his speech on Tuesday with its reference of the need for agreement on key policy stances such as the retention of British nuclear weapons.

He told the press conference that "a political party could not be elected upon a particular missile system," such as Trident. He also noted that decisions on individual weapons systems could not be considered in isolation from international talks which could affect Trident before the next election.

His comments will allay the worries of some leading Liberals who fear that an explicit reference to Trident would create an adverse reaction at the Liberal Assembly at Harrogate.

Mr David Alton, the Liberal party manager, yesterday underlined the view of his party that any agreement should concentrate on ideas and objectives and not cover detailed policies. These should be a matter for the new party, he said.

However, Dr Owen and his allies argued that this would fudge the question of a replacement for Polaris. Mr John Cartwright, the party's defence spokesman, and an opponent of merger, said that by the next election it would not be possible to cancel at least three of the four Trident submarines. He said that by then there would be no opportunity for a less expensive alternative to Trident.

However, during the defence debate views were divided with some speakers urging more emphasis on disarmament than new weapons systems. Similarly on a debate on the economy, there was some disagreement with Dr Owen's emphasis on the social market economy and competitive forces.

SDP leaders met yesterday to discuss the forthcoming negotiations and they have written to local parties seeking their views about the objectives and terms

Major firms favour outsiders buying shares in accountants

BY RICHARD WATERS, ACCOUNTANCY CORRESPONDENT

OUTSIDERS should be allowed to own shares in accounting firms, according to the senior partners of the UK's eight largest firms.

However, they say banks and other financial services firms should not be allowed to buy outright control of firms, at least in the short term. "It's not the start of a great bonanza," said Mr Elwyn Eilledge, senior partner of Ernst & Whinney, yesterday.

The recommendation on outside ownership, agreed at a meeting on Tuesday evening, signals the beginning of the biggest shake-up so far in the development of the accounting firms. A growing commercial awareness and less restrictive professional rules have already turned them this decade from back-room auditors into wide-ranging professional services firms.

The senior partners, who recently established their own formal lobby group, agreed to push for outside ownership to be allowed in the next Companies Act. This is due for enactment in the 1988-89 session of Parliament.

The control of accounting firms will remain with professional accountants, at least in the short term. The European Community's Eighth Company Law Directive, which will form the basis of the Act, requires approved auditors to retain management control and majority voting rights in a firm.

The accountants admit, though, that banks and others may eventually be allowed to own accounting firms. "You can never stop the pace of change," said Mr John Bullock, senior partner of Deloitte Haskins & Sells and chairman of the senior partners' group.

The proposal will also raise questions as to how the independence of auditors is to be maintained. There would be obvious fears of undue pressure being brought to bear on auditors if an audit client owned shares in a firm, said Mr Bullock.

The top eight firms, which are the most keen to see outside ownership, have increasingly dominated the audits of the country's largest companies in recent years.

The senior partners have yet to agree on the proportion of their shares that non-accountants should be allowed to hold. Debate is focusing on whether it should be 49 per cent, the maximum possible under the EC directive, or a lower limit such as 25 per cent.

The lower limit would allow qualified accountants to push through special resolutions, giving them greater control over the business. Under company law special resolutions need a 75 per cent majority.

● FT BUSINESS LAW

The UK's Community spirit

By Celia Hampton

THE UK is now well into its second decade of European Community membership. The extent of its adaptation to Community ways is hard to assess, but the feasibility of any alternative to membership is quite impossible to conjecture.

Does the UK behave well in the European context? Does the quality of its consent and compliance with Community ideals make it a good member? Are its inhabitants aware of membership and its implications?

Awareness, participation and compliance are characterised in Brussels as "*communautaire*" qualities and are welcomed. UK law puts into words the extent of its compliance and participation, and the activities of UK lawyers give some indication of popular awareness of the Community dimension.

On legal compliance, the UK comes out with a generally good *communautaire* character. Lawyers, meanwhile, seem to be using Europe quite actively and with increasing knowledge of its potential. These may be dangerously hasty conclusions to draw from a cursory examination of the cases involving the UK which are pending in the European Court in Luxembourg.

However, the sample is random, in that cases pending are simply those which have been started but have not yet come to judgment. The Court is the ultimate authority for judging Community legal issues. Community law embodies the consent of the member countries to pursue European goals, and to consider the interests of Europe as a whole in balance with national and sectional interests.

Cases going to the Court hardly represent all Community legal disputes, let alone all contentious Community issues, but they help to give some picture of a country's participation in Community life and of its obedience to the supranational aims, especially on the part of the country's government.

Held over from the beginning of the Court's summer recess there are 45 cases involving the UK in one of four ways.

● Eight cases concern disputes between a private UK party and the EC Commission.

● Fourteen references for a ruling on Community law have been made by UK courts in litigation between private parties, or between private parties and the Government.

● There are also 14 disputes between the UK Government and the EC Commission or Council of Ministers.

● In the remaining nine cases, the UK Government is intervening in actions between third parties and the Commission. One of these was brought by private parties, the remaining eight being between the Commission and another member country. The UK intervened because it had a particular angle on the issues in the case. It was appearing with the Commission in five cases and with the other party in four.

The subject-matter of the litigation is diverse.

The largest single issue is agriculture, which is not surprising. Nine out of the 10 agriculture cases involve the Government rather than private interests, although several raise potentially interesting commercial issues.

Three cases involve fisheries, two of them references from the High Court in London. One case concerns grants to the UK from the European Social Fund, three cases concern officials' pensions, one concerns employment by a nuclear energy project, and one, service contracts under the Lomé Convention, which provides preferential trade terms with some African, Caribbean and Pacific countries.

Six cases involve tax. Five of these involve VAT, while in the other the UK is intervening on the subject of French tax appeals. A case between the UK Government and the Commission concerns corrective spectacles, and one of the four court references asks whether exported racehorses are exempt from VAT.

Six cases involve trade between member states and the free movement of goods between Community countries. Two of the agricultural cases also raise this issue. One case concerns classification of flue-cured tobacco for customs purposes.

Three cases involve anti-dumping duties: these involve electronic scales and typewriters imported from Japan. A number of the litigants are also now subject to the Commission investigation announced on Tuesday under its new powers over screwdriver assembly plants in Europe, which the Commission suspects of using imported "dumped" components to avoid anti-dumping duties on imported finished products.

Four cases involve competition policy, two of them in related appeals against the Commission's fines for price agreements in the polypropylene market. The other two promise to be of great interest: the complaint by British American Tobacco that the Commission should have applied the restrictive practices rules (article 85) to a merger agreement between tobacco companies (Case 142/84), and the appeals by wood-pulp makers from outside the Community against fines for infringing EC competition law within the Community (Case 114/85).

Three cases involve state aids. Only one of these alleges an illegal subsidy by the UK government (a Northern Ireland cement industry grant). In the other two, the UK is intervening in cases about preferential gas tariffs for greenhouse producers in the Netherlands.

Two cases involve social security, one (due for judgment by the full Court) is about the equal liability of men and women for pension contributions and the other, access to a student grant.

One case concerns the transfer of a company from the UK to another member country with a milder tax climate (Case 81/87)—a nice balance for the Court to strike between freedom of movement throughout the Community and the freedom to seek a tax refuge.

UK disputes with the Commission, although fairly numerous, are in the main on detailed issues and are not, in principle, evidence of being "non-communautaire," unless one assumes that the Commission is always right.

The conclusion that the UK is a good European citizen is, however, underlined by one significant omission from the list of pending cases: there is no case being brought against it for failure to implement Community directives.

A great many cases have been brought by the Commission for failure to legislate following agreement between government ministers on Community measures. The defendant has often been Italy and sometimes Belgium, though the Court has not always found the country in default. Greece seems set to become another such defendant.

The interests of the private litigant or commercial enterprise are most obvious in the competition and dumping cases, but many of the pending issues have non governmental, non-regulatory significance. Free movement of goods within the Community is a good example, especially since this is now a branch of Community law favoured by the Commission in its pursuit of a barrier-free internal market by 1992. Two of the cases are references by the High Court in London arising out of patent disputes—one concerning imports of pharmaceuticals from a country which does not allow patenting of the product in dispute, the other concerning a portable lavatory which, although eligible for patent protection in England, would not be recognised as a patentable novelty in Italy.

This issue is undoubtedly active in domestic English litigation, and some of it is reaching Luxembourg. Another issue of acute concern to the European Commission and of potential utility to private interests is the illegal state aid or subsidy. As a European case, the Commission is likely to be the enforcement party, but it has considerable potential for private use.

Unhappily this will probably happen in the not altogether wholesome way that central competition enforcement seems to encourage, albeit unintentionally. It is a great deal cheaper and less exhausting to write one letter, probably anonymous, to the Commission about a competitor's behaviour than it is to bring a risky and expensive action against him in a public court.

The fact that there is only one current case involving illicit state aid by the UK Government is probably evidence of the UK's political distaste for public subsidies, and possibly of its compliance with Community rules about notifying the Commission of intended aid. It could also be evidence of UK lawyers being unaware of the potential weapon in the legal process offered by the rules against hidden public assistance. In any event, it is preferable to view this as another example of the UK being a good boy in Europe and so of being fully *communautaire*.

Celia Hampton is author of Criminal Procedure, editor and compiler of the Bulletin of Legal Developments and deputy editor of the Financial Times Business Law Brief.

Docklands rail union call fails despite vote

BY PHILIP BASSETT, LABOUR EDITOR

LONDON'S new Docklands Light Railway declared yesterday that a 4-1 ballot vote by its employees in favour of trade union representation was insufficient for a union to be recognised.

The management's announcement was immediately criticised sharply by unions hoping to win recognition, and one, the EETPU electricians, said it would now try to talk to the company to move it to the next stage of its balloting procedure on the issue, about which union employees should join.

In a ballot counted by the independent Electoral Reform Society, the DLR said that 101 staff were eligible to vote. Of these, 43 had voted in favour of union representation on the manager's committee, which will meet annually to decide on pay increases, and 11 against.

This is 42.6 per cent and 10.9 per cent respectively, of the total eligible to vote, but the unions pointed to the fact that it is 79.6 per cent and 20.4 per cent respectively of those voting.

They claimed this was an overwhelming majority, but the DLR said that the ballot rules were quite clear in stipulating that union representation depended on 50 per cent of those eligible voting in favour.

Mr Cliff Bonnett, DLR managing director, said: "This is the end of the matter," though he added that the stipulation in the ballot rules that no further ballot on the issue should be held within six months might be waived if staffing levels or other circumstances change. Further staff may be needed now the DLR, which belatedly started running trains this week, is gearing up for its City line extension.

He said that all other aspects of the company's new employment policies, such as quality circles and its management-employees company council, were now in place. The results of the ballot were placed before the council's inaugural meeting yesterday.

However, a further factor is that some 35 DLR employees have signed a suggestion that the most appropriate form of representation might be an in-house staff association—an idea DLR management is now actively considering.

The outcome of the DLR result is of importance not just in creating a non-union operation within a sector—railways—traditionally highly unionised. It may be an indicator that the now largely non-union but growing Docklands area, in which the EETPU and other unions are trying to recruit, may prove resistant to trade unionism.

But Mr Tom Rice, EETPU national officer, said: "This is a good result for our union. It reflects positive support for collective bargaining; indeed, it is an encouraging result for the trade union movement as a whole when you consider this is a largely non-union workforce in a greenfield site company."

The EETPU would press the company now to ask its employees which union they wanted to represent them, and Mr Rice said he was confident they would choose the EETPU.

Mr Richard Rosser, assistant general secretary of the white-collar rail union TSSA, which with the NUR general rail union and the Aslef train drivers' formed a consortium bid for recognition, said that the unions had little choice but to accept the company's position, though he said the DLR's view of ballot democracy differed sharply from the unions'.

Rover firm on pensions plan

BY DAVID BRINDLE, LABOUR CORRESPONDENT

ROVER GROUP, the state-owned vehicle manufacturer, told union leaders yesterday it would not reconsider its three-year pension contribution "holiday" which began this week.

Mr Graham Day, Rover's chairman, firmly re-stated the group's position as the holiday policy prompted the first industrial action in protest—a one-day strike yesterday by 380 manual and white-collar workers at the Leyland Bus plant at Workington, Cumbria.

Ironically, Leyland Bus is no longer part of the group. But, in common with some other former subsidiaries, its employees remain members of the Rover pension schemes.

Rover acted in May to give three months' notice of its intention to reduce employer contributions to a nominal sum for three years. The notice period expired on August 31.

The group's plan is to split evenly a £250m surplus on the funds; half is to go into product development; half is to be used to improve employee benefits, although no details of this improvement have yet been agreed.

Union leaders requested yesterday's meeting with Mr Day to appeal for all the surplus to be used to improve benefits. The chairman made it clear, however, that there was no question of going back on the plan, especially as the holiday had begun the previous day.

Mr Paul Talbot, motor industry national officer with ASTMS, the white-collar union, said after the meeting: "We got absolutely no joy whatsoever. We will now have to consult with the membership on where we go from here."

Although the Rover unions have no present plans for industrial action, workers at the privatised Leyland Bus plant staged a solid 24-hour strike yesterday over the pension policy of their former parent group.

There may be similar knock-on effects at other former Rover subsidiaries such as Leyland Daf, the trucks manufacturer, Istel, the information technology company, and Unipart, the spares supplier. Union leaders say it is unclear what say these companies have had in Rover's pension decisions.

Unions have been growing increasingly active against pension holidays declared by employers as a means of reducing fund surpluses in line with new legal requirements.

Workers at Lucas Industries won improvements in the group's original plans after they staged limited industrial action. Similarly, revised terms were agreed following a six-month overtime ban at Barr and Stroud, the optical equipment manufacturer.

Computer poll service launched

By Our Labour Correspondent

COMPETITION for the lucrative business of counting trade union ballots began in earnest yesterday with the launch of Security Balloting Services, a fully computerised company.

SBS, set up jointly by Nash Broad, chartered accountants, and Lawford, solicitors, will provide the first direct challenge to the service offered by the Electoral Reform Society.

The company, which will charge up to 18p per vote for the most complex ballot analysis, believes it will be able to undercut the society. Mr Robert Elvy, SBS managing director, said yesterday: "Our indications are that our pricing is more economical."

But Mr Owen Thomas, the society's development manager, said later: "We are not a commercial operation, so we are not overly worried. But it would be a surprise if they do work out cheaper."

SBS is investing a total £250,000 in equipment, including optical mark readers. It has already carried out one election count, for the National Communications Union, and says the full voting analysis by branch was ready within days as opposed to within three months under a manual system.

Although the company is hopeful, it remains unclear whether SBS will be recommended by the TUC, which has been planning to participate in creation of a single ballot services agency for unions.

Unity Trust, the trade union bank, is launching its own company—Unity Balloting Services—next week. SBS says it is on the brink of an agreement whereby Unity Trust will use only SBS as a sub-contractor for ballot counting.

However, the society and other agencies which offer limited manual counting—for example, Hard Dowdy chartered accountants—are likely to be unhappy if the TUC is seen to favour only one commercial company.

ASTMS seeking 'model training agreements'

BY JOHN GAPPER, LABOUR STAFF

THE white-collar union ASTMS yesterday launched an initiative to try to force companies with which it has negotiating agreements to undertake extensive training and re-training of employees.

The union published a "model training agreement"—intended to form the core of individual deals—including a right for all workers employed by a company for six months to be offered places on a training programme.

It said it would press firmly for each company to negotiate training with the union in the same way pensions and health and safety are subject to discussions outside the annual pay bargaining framework.

The union's national officer for electronics and aerospace, Mr Tim Webb, said the ASTMS was gearing itself to push employers into providing much increased training facilities: "It is going to be a very sharp dialogue," he said.

Mr Webb said it was commonly accepted within British industry that companies did not allocate enough to training and they "needed a shove" from within. He added: "I believe we will be pushing a partly-open door."

The model training agreement calls on a company to set aside a jointly-agreed budget for training in designated areas, and to publish total annual training costs, both in real terms and as a percentage of turnover.

It also calls for the setting-up of a joint company and trade union committee responsible for setting out the company's training requirements and programmes, with at least one senior member of management co-opted on to it.

The union is at the moment holding courses for all 90 of its full-time officials to brief them on changes in the labour market and the importance it places on re-training for extending the career opportunities of its members.

Mr Webb said companies in all fields needed persuading to invest in the re-training of existing employees rather than buying-in skilled workers from other companies at premium rates.

He said there was a particular need for more re-training resources in industries where new technology was increasingly coming into play, such as electronics, banking and insurance, and engineering.

Acas call in bank dispute

BY JOHN GAPPER, LABOUR STAFF

THE CONCILIATION service Acas has been asked to step into a dispute over a 6 per cent pay offer to Midland Bank staff, despite the bank's earlier refusal to go to arbitration on the issue. The white collar union ASTMS, representing a minority of staff at Midland, has invoked a clause in its recognition agreement with the bank allowing it to call for conciliation if there is a failure to agree during negotiations.

The Banking, Insurance and Finance Union, which represents about 17,000 of the 38,000 Midland staff involved, is balloting its members on industrial action over the pay offer, linked to the introduction of a revised grading structure.

The bank said yesterday that it would not add to its offer, and it did not expect conciliation to lead to a change in its position. Members of both unions have voted to accept the offer in consultative ballots.

Channel Tunnel strike called off

BY OUR LABOUR STAFF

A STRIKE by about 150 construction workers employed on preparations for the Channel Tunnel was called off yesterday after the company involved agreed to talks on a bonus payments claim.

The dispute at Trans Manche Link near Rochester, Kent, started last week over the claim for a bonus of £2.50 an hour to be paid on top of the contract rate of £2.26 an hour.

The workers, members of the Transport and General Workers Union, will start work again today on building four factories, intended to produce concrete blocks to line the tunnel when drilling starts.

A deadlock over the dispute—the company had insisted that it was called off before talks on bonuses could be held—was solved yesterday in negotiations between managers and a TGWU representative.

Peter Riddell sums up the key figures and issues in a conference marked by deep division

The party is decisively over for Dr Owen

THE SDP's conference in Portsmouth will be remembered not just for its deep divisions, passionate debates and sadness, but more particularly as marking the end of Dr David Owen's personal dominance. The SDP is no longer his party.

It is, however, not yet anyone else's. Mr Robert Maclennan has undoubtedly had a successful conference. Not a natural leader, he has gained respect as a conciliator though his real test lies ahead.

Dr Owen's resignation may also allow other prominent Social Democrats to assert themselves and more of a team approach to develop involving Mrs Shirley Williams, the party president, and the elder statesman figure of Mr Roy Jenkins, with his occasional magisterial interventions.

The rising star is clearly Mr Charles Kennedy, one of the few SDP leaders to show political judgment this summer. Still only 27, he has emerged as an obvious potential future party leader.

Otherwise, the key figure has been Mr John Cartwright, party whip and vice president who is keeping channels of communication to Mr Maclennan and other party leaders even though he opposes merger.

However, the other MP, Mrs Rosie Barnes, heroine of the Greenwich by-election six months ago, has rapidly lost her halo and is accused by the pro-merger group of being too strident and of showing political inexperience.

The central issue of the conference has been "legitimacy" as Mr David Sainsbury remarked in Monday's merger debate. Despite the ballot vote to accept merger talks, the "Malnick amendment" on Monday proposing a choice for members between joining a new merged party and remaining with an independent Social Democrat group, would have divided legitimacy. It would have been a fudge.

The defeat of that amendment has put Dr Owen and his allies on the defensive. None the less he claimed yesterday to

Alan Harper

Rising star and fallen hero? Charles Kennedy and David Owen on the platform at Portsmouth.

be leaving Portsmouth happier than when he arrived. His allies argue that they are defending social democracy but they cannot now claim constitutional legitimacy.

It is unclear where this leaves Dr Owen. He is vague about his plans. He will pursue his international interests and encourage supporters in the anti-merger Campaign for Social Democracy.

Dr Owen still hopes for some kind of amicable separation and is critical of the pro-merger supporters' "obsession with constitutions." However, he warns that unless the majority group is willing to agree to such a parting of the ways, he may, against his own wishes and instincts, be forced to try to block any deal at the key meeting in Sheffield in late January.

Any merger package requires a two-thirds majority of the ruling Council for Social Democracy before it is put to a ballot of members.

If a deal is approved early next year, an independent Social Democrat group will be formed, but not until then. Dr Owen is assured of sizeable financial backing.

The key question is whether he has the will to organise a new group and what level of support he will have. Yesterday he argued that the message of the conference was that 40 per cent or more wished to stay Social Democrats.

Yet one senior participant detected a shift in mood during the conference. After Sunday's emotional exchanges the fringe meeting of Grassroots Uprising, the anti-merger group, fell somewhat flat.

Dr Owen was, of course, applauded, partly in thanks for his efforts, but he did not excite most of them by raising the standard of revolt. This left some supporters perplexed about whether Dr Owen might be leading them into the wilderness.

Contrary to Dr Owen's optimism yesterday, the pro-merger camp claimed that a number of key figures might be moving over, and that a sizeable number would await the outcome of the talks.

The merger negotiations will not be straightforward but there are strong political pressures for a deal. Many points will no doubt have to be fudged, but that is politics, and Mr Maclennan was careful yesterday not to make Trident a sticking point in the talks—since this would have created an open split with the Liberals.

There will be much manoeuvring about who will lead the new party. Mr David Steel's current reluctance is largely a front. No credible short-term alternative is likely to be approved by both parties, notwithstanding calls by some prominent Liberals — none of them MPs — for a new face.

Some Social Democrats have also been critical of Mr Steel at Portsmouth for bouncing them into the merger debate. Indeed some in both parties argue that he would only be the next election,
an interim leader, perhaps until

The overall impression is of one of the oddest party conferences ever seen. Not many conferences end with most participants recognising that by next autumn they are likely to be in two separate parties.

MACHINE 31 — 8½ — ed

Admittedly, after the intense debates and divisions of Sunday and Monday, there has been a degree of amit and unity on policy over the past two days—with a slight shift away from Dr Owen's views in the debates on the social market economy and defence.

But the agreement on policy is unreal when there are such deep divisions on the basic issues of strategy. While the arguments have been less bitter than at past Labour conferences, they have been more open than Social Democrats have experienced since 1981.

The Owen and anti-Owen factions have existed on the SDP's national committee since at least 1983 but many Social Democrats were apparently shocked to discover the depth of feeling.

One speaker confessed yesterday to belonging to the "bewildered faction" and said that like others she had been close to tears during Monday's merger debate.

By last night some of the passions of the summer had subsided, creating a breathing space during the negotiations. But the conference has failed to achieve any unity. A divorce is still likely.

Poll tax 'should be abandoned'

THE GOVERNMENT should abandon its plans for the community charge and replace rates with a local income tax instead, the conference decided.

Delegates condemned the planned community charge—or poll tax—as unfair, impractical and inefficient. They called for the repeal of legislation already passed for Scotland which comes into effect in 1989 and for plans to introduce the charge in England and Wales from 1990 to be scrapped.

Dr Dickson Mabon, the former SDP MP and national committee member, said the issue would be crucial in local government politics.

"Labour want to base rates on the capital value of properties, including housing. They want to soak the rich areas. The Tories, by the poll tax, want to soak the poor areas. In the SDP we simply want social justice through a local income tax," he said.

Mr Alan Sykes, an SDP councillor in Cleveland, said a study of the district had shown that the number of households coming off worse under poll tax would be greater in areas of high unemployment. He said that because the community charge register would use electoral lists it would discourage the poor from voting.

"The next step in the Thatcher Government is that if you do not pay income tax you won't be able to vote," he said.

Mr Paul Davies (Edinburgh South) said it was "grossly unfair" to expect people to pay the same regardless of income.

"You will have the duke in his palace paying the same as his gardener at his gate," he said

Another Scottish delegate, Mr Allan Heron (Glasgow North) objected to Scotland being used as a "guinea pig" for the tax system. "It is simply no more than a tax on voting," he said.

Mr Ralph Leishman (Renfrewshire) said: "It is becoming clear that people, as they study the details of the implementation of the poll tax, are realising that there are going to be a great deal of extra costs in implementing that tax."

He said it was essential that the SDP made it clear it was not arguing for a return to rates but for a local income tax.

Policy move over animal welfare

A GREEN PAPER setting out SDP policy on animal welfare should be prepared by the party's policy committee, the conference decided.

By an overwhelming majority delegates passed a motion deploring those who were deliberately cruel to animals for profit. They also approved an amendment condemning the violence of some animal rights groups.

Trident missile system seen as only option for the 1990s

THERE WAS no alternative to the Trident nuclear missile system for the defence of Britain in the 1990s, Mr John Cartwright, the SDP defence spokesman, told the conference.

Summing up a debate on defence, he said that three of the four submarines being built for Trident could not be cancelled by the time of the next general election, which must take place by June 1992.

So much would have been spent on preparing for the system that cancelling the missiles, the nuclear warheads and the fourth submarine would yield no financial savings, and it would be impossible to find and deploy any other system before the Polaris missile system began to be phased out in the mid 1990s.

"Changing horses in 1991 would leave us with a very major and very dangerous gap," he said.

He hoped for success in the current negotiations to reduce intermediate range nuclear forces, but foresaw obstacles to an agreement on reducing the strategic arsenals of the US and the Soviet Union. "You can not build a defence policy on hope," he said. The SDP's policy had always been that "sound defence and sensible disarmament must go hand in hand. It is an approach we should stick to."

Mr Cartwright, who opposes merger with the Liberals, did not refer directly to the difficulties expected in the merger talks on the nuclear weapons issue, but he made plain his irritation over conflicts with the Liberals during the general election campaign.

One problem for the Alliance, he said, had been that it had not told the voters what should replace Polaris if Trident was cancelled. "Every time I tried to spell out our more cost effective replacement, some of our Alliance partners, like a Victorian heroine, sustained a fit of the vapours and threatened to swoon completely away."

In the course of the debate several delegates also urged the party to accept that Britain's nuclear weapons had to be modernised because the country would have to continue as a nuclear weapon state for the foreseeable future.

Reports by Tom Lynch and Ralph Atkins

However, there was widespread concern that the party had become "obsessed with rocketry" to the detriment of its commitment to disarmament. Some delegates urged the party to recognise that, at some future date, the UK might have to consider giving up its nuclear weapons.

Mr Simon Head, author of a discussion document advocating acceptance of Trident, said Britain and France should not use the INF negotiations "as a pretext for postponing the decisions that have to be made on the modernisation of their deterrents.

"Enough uncertainty exists about the long-term intentions of the US, particularly as long as Star Wars remains on the drawing boards, for Britain and France to avoid taking any decision that will preclude for ever their ability to defend Europe if in future a need should arise."

However, a different emphasis was given by Mr William Rodgers, one of the SDP's founding Gang of Four, speaking on an earlier motion. He recalled the party's "consistent policy" of strong defence with an "equal and parallel" commitment to arms control and multilateral disarmament.

"It will be pleasing if we can talk more on the latter than on the competing claims of nuclear weapons systems."

He agreed with Mr John Roper, the former MP, who told the conference: "We are right to argue for a nuclear element in our defence, as long as that is militarily necessary." However, Mr Rodgers added: "It is military necessity, not status, prestige or pride, that must be the deciding factor."

Mr John Bancroft (Edinburgh), warned against moving away from the concept of nuclear weapons as a defence against nuclear attack, to seeing them as a shield against conventional forces.

Mr Neville Pressley (Adur and Worthington), said: "The majority of the SDP wishes to merge with a party which has never shared Dr David Owen's stance on defence. We must be prepared to compromise." He urged those conducting the merger talks to concentrate on principles rather than "force a policy on the new party."

'Jackal' tag disputed by Liberal

MR DAVID ALTON, the Liberal Chief Whip, last night denied that his party had any intention of trying to force Dr David Owen, the former SDP leader, out of parliament.

"Liberals should not be represented as being jackal-like, waiting to devour the remains of the SDP," he said in a statement from Westminster.

Liberals had spent the last six years working with Dr Owen and had no desire to see their former allies become sworn enemies even if they decided not to join the merged party.

He conceded, however, that members of the merged party and Social Democrats who joined the "splinter group" under Dr Owen, might be forced to offer alternative prospectuses in election contests.

However, this was not the objective, and both sides must work for reconciliation and "the creation of one strong, new party."

The important issue for Liberals would be the incorporation of their ideals in the new constitution of the merged party. This should not be about detailed policies but about principles and the method of achieving them.

Mr Alton felt that the Liberal Party had handled itself with maturity and composure over the last few weeks and hoped this would be sustained during its forthcoming annual assembly.

Scottish assembly scheme backed

THE conference defied a national committee recommendation and called on the Government to set up a constitutional convention on a Scottish assembly.

Mr Allan Heron, who moved the motion, said the convention would include representatives from all parties and other interest groups. It would draw up a scheme which would then be presented to parliament.

"It is not a question of do we get a Scottish assembly. It is a matter of when will we have it and what form would it take," he said.

Dr Dickson Mabon, former Labour minister and member of the national committee, said an all-party convention would not work.

Party comes to terms with social market

THE SDP leadership is to draw up a policy statement on the social market economy after a debate in which delegates agreed that it was "the cornerstone of Social Democratic policies" but were in some confusion about what it meant.

Mr Ian Cundy (Coventry) summed up the puzzlement among speakers when he said the motion approved by conference amounted to a statement that "we strongly reaffirm our commitment to the idea of the social market economy but would be rather grateful if someone would tell us what it means."

Mr Chris Craft, replying to the debate for the national committee, attempted to set out some characteristics of the social market, while promising that a working party would examine the subject and aim to report back by January.

He said the social market embraced both competitiveness and compassion, it tried to strike a balance between the power of the provider and the need of the consumer and it recognised that "we must run the economy to stimulate enterprise and profit. Without enterprise and profit we cannot raise taxes, and if we cannot raise taxes, we cannot support welfare."

Mr Clark said the market must be the "prime force" in the economy, but Social Democrats could never accept the unrestrained operation of that force in such a way as to make some people vulnerable.

Mr Anthony Goodman (Harrow) attempted to set out a framework for the policy group to consider. "If we seriously believe in the new politics with the accent on co-operation and consensus, we must believe that the social market lies at the heart of that consensus."

He said the 40 per cent of the electorate which had supported Mrs Thatcher in the past three general elections were not all stupid or evil, and the SDP had to win some of their support if it was ever to gain power. The Conservative consensus had made the Limehouse declaration, the SDP's founding charter, out of date with its stress on the mixed economy.

However, he said, acceptance of the new economic boundaries did not imply acceptance of the current conditions of competition, especialy in respect of private monopolies like the "arrogant and unresponsive" British Telecom.

The social market meant taking the successes of Thatcherism—like trade union reform and the stimulation of enterprise—and healing its wounds by redistributing wealth. "There can be no social market without social justice—the one delievers the other."

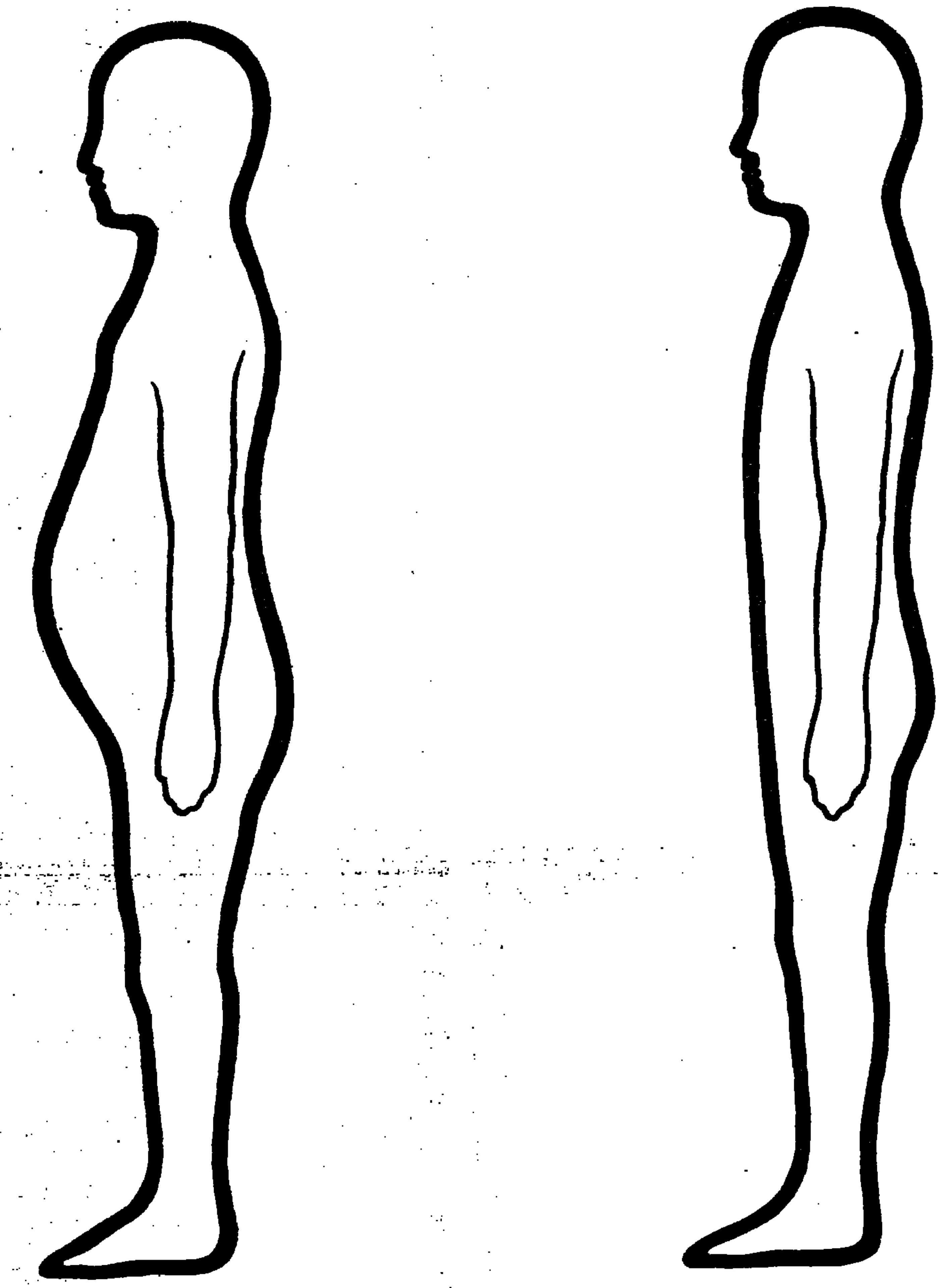
But the first point in his proposed framework—that markets were "the best motor available for the generation of growth, wealth and choice for all"—was attacked by Mr Cunudy as an overstatement.

"If markets really could give us wealth and choice for everybody, that would solve our problem. We would not need to think about the rest of it. We would not be here. We would have gone home and left it to the Tories years ago."

Mr Bernard Hughes (City of London and Westminster South) said the social market would "move forward the frontiers of the welfare state," and feared it might disappear in the formation of a merged party.

Ms Margaret Sharp (Guildford) said commentators had viewed the social market as crucial to the success of merger talks with the Liberals. "If it is, let us know what it is please.

Ms Hilary Campbell (Central Scotland) said one of the weaknesses of the Alliance election manifesto had been that "every single policy could be defined in terms of a bit less or a bit more than Tory or Labour. We have to be different, new and radical and actually change the way wealth is distributed in this country."



THIS YEAR — NEXT YEAR

First we examine the figures. Then we help to improve them.

Our auditors have all the virtues you'd expect. Independence. Objectivity. Integrity. (Predictable, but essential.) And a few that might surprise you. Imagination. Flair. Initiative. To us, the audit is not so much a book-keeping exercise, as a business exercise. An opportunity to help management keep the company fit, healthy and in good shape.

Price Waterhouse

Foreign visitors rise by 16% in first half of year

BY DAVID CHURCHILL, LEISURE INDUSTRIES CORRESPONDENT

THE TOURISM industry is on course for a record year in terms of the number of overseas visitors, according to government figures published yesterday.

In the first six months of 1987 some 16 per cent more people came to Britain than in the first half of last year.

The total of 6.8m was a record for the first six months and was boosted by a sharp recovery in numbers of visitors from North America. Their numbers rose by 24 per cent, although this was in comparison with the slump in North American visitors to the UK following the US bombing of Libya and Chernobyl nuclear disaster.

In the first half of this year overseas visitors also spent some £2.5bn or 16 per cent more than in the first half of 1986.

Mr Duncan Bluck, chairman of the British Tourist Authority, said yesterday: "We are well on target for a full-year result which will make 1987 the best year ever in the history of British tourism."

Duncan Bluck: hoping for tourism's best year.

In June the number of overseas visitors rose by 29 per cent to reach a total of 1.5m This increase was bolstered by a 60 per cent increase in visitors from North America as well as 27 per cent more from Western Europe.

However, the figures also show that June was not a good month for Britain's travel industry because UK residents made some 3 per cent fewer trips abroad in June compared to the same month last year.

During June this year overseas visitors spent some £610m in the UK, 32 per cent more than in the corresponding month last year. UK residents in June this year spent £635m when abroad, seven per cent more than in June, 1986.

After the second quarter of this year the increase in numbers of overseas visitors to the UK was 26 per cent higher than in the second quarter last year.

Visits abroad by UK residents during the second quarter were 4 per cent higher. This included a 26 per cent increase in the number of visits to North America.

IBA studies feasibility of fifth TV channel

By Raymond Snoddy

A WORKING party to examine the feasibility of a fifth national television channel has been set up by the Independent Broadcasting Authority and the ITV companies.

Preliminary findings by IBA engineers suggest that another channel, which could be received by 60 per cent to 70 per cent of the population, is feasible.

However, the engineers warn that the signal tolerances involved are fine and there are real dangers of interference and a reduced standard of picture quality. In some areas householders may need to buy different aerials. Further work on the problem is being carried out.

The prospect of additional channels was raised in two reports by Dr Charles Jonscher. one for the Department of Trade and Industry on regula*tion of the radio spectrum and* the other for the Home Office on subscription television.

The feasibility of new channels is among topics to be considered at a seminar on September 21 when Mrs Thatcher meets leading broadcasters at 10 Downing Street, but there is no political pressure from either the Home Office or the Trade and Industry Department for a fifth channel in the foreseeable future.

The main reason for government indifference seems to be British Satellite Broadcasting, the direct broadcasting by satellite project due for launch in 1989.

BSB failed to win any formal government guarantees that there would be no extra competition in its early years. but the Government is committed to the success of the £625m project and is unlikely to go out of its way to launch extra channels until at least three years after the launch of BSB.

Some television executives, however, believe that any extra frequencies should be used to create a local television channel in a large number of urban areas.

Tax-free profit-related pay scheme guidelines published

BY RICHARD WATERS AND PHILIP BASSETT

THE Inland Revenue yesterday disclosed how profit related pay schemes under which employees can receive a tax-free bonus of up to £1,500 each year are to operate.

However, because of the time it takes to register schemes, many companies may be unable to pay their employees profit-related pay before 1990.

The Revenue reports that 23,000 companies have shown an interest in setting up such schemes. They have all been sent copies of the guidelines.

Up to half an employees' profit-related pay will be free of income tax provided the PRP is not more than £3,000 or 20 per cent of an employees' salary if this is lower. This limits the tax-free element of £1,500.

The Revenue says it cannot guarantee to register a scheme in less than three months although it may be able to process applications in faster than this. Schemes must be registered before the start of the financial year to which they relate.

This means that companies with financial years ending on December 31, which is common, must register a profit-related pay scheme before the end of this month to be sure it will come into effect for 1988.

Otherwise, the first period for which the scheme can operate will be 1989. This would not show in employees' pay packets until well into 1990 when profit for the year has been calculated and verified by an independent accountant.

The Revenue says: "It may not leave enough time for everyone. But the skeleton of the scheme — the basic relief — has been known for some time. If people are serious about setting up a scheme, they will have thought about it by now."

In theory, registration of schemes has been permitted since the Finance Act received Royal assent last month. But companies have waited for the Revenue's guidance

The guidelines do not introduce new profit-related pay rules, but explain how the rules will work in practice. However, the explanations may in some cases spell problems for employers.

Tax Relief For Profit Related Pay: Notes For Guidance, Profit Related Pay Office, Inland Revenue, St Mungo's Road, Cumbernauld, Glasgow G67 1YZ, no charge.

Lords praise Thatcher's stance on EC budget

By Robert Mauthner, Diplomatic Correspondent

THE GOVERNMENT is right to insist that European Community spending should be brought under firm control before a decision is reached an increasing the Community's resources but should be prepared to make concessions on the budget rebate the UK receives under the 1984 Fontainebleau agreement.

These are two of the main conclusions of a Lords select committee report on European Community financing. The report tempers approval of the Government's negotiating stance on the European Commission's proposals for reforming EC finances with criticism of its more fundamental attitude towards the Community.

National interests must, of course, be protected, but this should be done in a context which is more recognisably "communautaire," the committee says.

"The Government must emphasise that their refusal to discuss increasing the Community's resources is based not on considerations of national profit and loss but on the desire shared by citizens of all member states to see an end to the excesses of the common agricultural policy."

The Government must stress the positive side of its approach. If it is right in claiming, as it does, that the UK economy is improving relative to that of other member states, some concession on the Fontainebleau financial rebate would be appropriate.

The committee considers that abolishing or renationalising the common agricultural policy would not be politically realistic. Moreover, simply giving free rein to market forces would not be acceptable since it would result in the countryside becoming depopulated or derelict.

In this context, the committee expresses its disappointment with "the limited plan" of direct income supplements which the commission is proposing and considers that it would still leave large numbers of small farmers in serious trouble when support prices came down. A more enterprising scheme of direct income supplements should be devised.

Fourth report (1987-88) from Lords Committee on European Communities, Financing the Community, £7.

No-claims home policy offered

BY ERIC SHORT

HOUSEHOLDERS who make no *claims on their house contents* insurance policy during the 12 months it is in force will get a 25 per cent *no-claims discount* off the following year's premium under a scheme launched by Municipal General Insurance.

This represents a straightforward yet radical development by an insurance company to encourage householders to take adequate precautions against thefts, burst pipes and other perils and reward those that do not make claims.

The no-claims discount system is standard in UK motor insurance, giving substantial premium reductions to motorists who have claim-free periods.

Insurance companies have opposed such a system in house insurance even though claim numbers and costs continue to rise, particularly from thefts and severe winter weather.

Previous attempts to reward householders who did not make claims, notably by Eagle Star Insurance and General Accident, were eventually dropped and said to be uneconomical.

However, insurance companies are coming under increasing pressure to give premium discounts to householders who take adequate security precautions.

In general they have responded by giving discounts on premiums if certain security conditions are met.

Municipal General, however, under its new policy Houseplus 2, has adopted the simple method of reducing premiums if the householder has not made a claim.

There are no pre-conditions to be fulfilled and no inspections to be made. The householder has to take whatever measures he considers necessary to protect his house.

Pension fund switches managers

By Eric Short

COURTAULDS, the UK textile group, has switched investments managers handling the Far East equities assets for its £750m pension fund.

The company has moved its £50m Far East portfolio from Baring Brothers, the merchant banker, and split the fund between the small Edinburgh-based fund manager Martin Currie and the Japanese investment house Yamaichi International Capital Management.

The company was not prepared to give any further details on the changes.

The Courtaulds pension fund holds a high proportion of its assets in overseas equities—about £140m or nearly 20 per cent.

However, all the assets are managed by an in-house investment team, including the overseas investment portfolio, with the exception of the Far East equity portion. This fund, is handled by outside managers.

The new managers will have full discretion to invest the fund throughout the Pacific Basin. Both are investment specialists in this region.

Their performance will be monitored against the Tokyo Stock Exchange Composite Index, but the wider investment powers beyond the Japanese market will enable the managers to diversify the investment risk and offer the opportunity of outperforming this index.

Courtaulds' move highlights two important developments in pension fund investment management. First, pension schemes are using outside investment managers to look after certain specialist portfolios within the overall assets, particularly certain overseas investments. Second, companies are changing investment managers far more frequently.

Fast-fit car service chain to be expanded

BY JOHN GRIFFITHS

SMC, a UK subsidiary of Italy's Pirelli tyres and cables group, is planning a national network of about 270 fast-fit car-servicing and repair outlets.

This is double the number operated by SMC under the name of Standard Motorists Centres, on which £5m has been spent on refurbishment and a new corporate identity.

The expanded network, to be set up during the next two to three years, is likely to increase sharply the already fiercely competitive nature of a sector of the UK automotive after-market worth about £3bn-plus a year.

SMC will be seeking to challenge a number of rivals, notably Kwik-Fit, run by Mr Tom Farmer with headquarters in Edinburgh. With more than 350 outlets, it is the UK's largest fast-fit organisation, and Mr Farmer has spoken of an eventual chain of 700.

In the past three years, however, other mass retailing groups have entered the field. They include the B & Q retailing group, which plans a network of 100 parts and accessories superstores combined with "menu" repairs and servicing, and Halfords, part of the Ward White retailing group.

While Halfords has been long-established as a High Street retailer of motor parts and accessories, it is now firmly committed to setting up at least 100 edge-of-town superstore sales and service sites. Nearly two dozen have already opened.

Homebase, the J. Sainsbury DIY subsidiary, has acknowledged that it is negotiating with Arlington Motors, a Unigate subsidiary, to sub-let space at Homebase edge-of-town sites for car servicing and parts sales.

Unlike Halford and B & Q, SMC does not intend to involve itself heavily with over-the-counter sales of parts and accessories. It will concentrate on while-you-wait fixed-price "menu" servicing of cars as well as its traditional fast-fit replacement of exhausts, tyres and other rapid-turnover parts.

This area of business accounts for nearly half of the £7bn a year spent on car maintenance, according to a study by Staniland Hall Associates earlier this year.

Mr John Cooper, SMC's general manager, yesterday gave no indication of his company's likely total investment in an expanded network. It is intended to expand by acquisition of appropriate sites in suburban and inner city areas, rather than development of new sites from scratch.

Toshiba widens range of personal computers

BY TERRY DODSWORTH, INDUSTRIAL EDITOR

TOSHIBA, the Japanese consumer electronics group, yesterday reinforced its push into the European personal computer market with the introduc*tion of two desktop machines* compatible with IBM products.

The machines have been designed for consumers in Europe, where Toshiba has established a lead in the portable computer market over the last two years. They will fill out the range by offering the power and flexibility of the IBM AT range of desktop computers with full portability.

Mr John Hill, divisional general manager of Toshiba Information Systems in the UK, said yesterday that the computers formed part of a product development programme aimed at giving the company a full range of office equipment. These would include local area net*works, printers, copiers, fac*simile machines and telephones.

In the long run the company might consider manufacturing in Europe if this was justified by product volume, he said. UK sales for Toshiba as a whole were about £400m a year, he added, of which local procurement accounted for £120m.

According to Intelligent Electronics, the marketing consultancy, Toshiba last year captured 32 per cent of the European "laptop" personal computer market.

BT starts on cable to US

By David Thomas

BRITISH Telecom is starting work this weekend on the UK end of the first trans-Atlantic optical fibre telecommunications cable.

The £220m cable, called TAT 8, which is due to come into service next summer. It will have the capacity to carry 40,000 simultaneous calls or their equivalent in data.

Acid rain damaging wildlife, says report

ACID RAIN is doing widespread damage to British wildlife, according to a report to be published later this year. The report was commissioned by Wildlife Link, an umbrella organisation representing more than 30 leading wildlife, conservation and environmental groups.

It says many of the studies on air pollution and wildlife are very disturbing, and call for a planned and forceful government initiative, with substantial funding, to reduce pollution.

Over 60 entries for inventors competition

MORE THAN 60 of Britain's budding inventors, aged from 11 to 19, will be competing for this year's title of Young Engineer for Britain, run by the Engineering Council.

The national final of the competition, will be at the National Westminster Hall in the City on September 30.

Projects include a meter to measure the stress in animals, a new type of wheel brace for cars, a device to sample oil, a musical teaching aid, an electronic map measurer and an integrated system for use by anaesthetics. There are 30 other inventions covering a wide range of applications.

Law on display of alcohol level to be extended

By Christopher Parkes, Consumer Industries Editor

PUBS, hotels and restaurants will soon have to display the alcohol content of all drinks on sale, so that drinkers can keep a precise tally of their intake.

Government regulations will be issued shortly following a European Community agreement that requires all pre-packaged alcoholic drinks to show the strength of their contents as alcoholic percentage by volume.

However, the Government has decided to extend the requirement to cover all alcohol sold to the public.

At present only spirits producers are obliged to declare the alcohol content of their products, although some wine bottlers provide similar information voluntarily.

Several brewers also mark cans and bottles with the original gravity of the brew as an indication of strength.

Second Bank gilts auction

BY PHILIP STEPHENS, ECONOMICS CORRESPONDENT

THE Bank of England confirmed yesterday that its second auction of gilt-edged securities this year will take place on September 23.

It will involve the offer of up to £1bn sterling of stock with a maturity of over 15 years. Full details are expected in the week before the sale.

Earlier this year the Bank said it would hold three trial auctions to supplement its more traditional tender sales of government securities. The final one is scheduled for next January, when up to £1bn of medium-dated stocks (with a maturity of five to 15 years) will be on offer.

If the series is successful it is likely that auctions will become a permanent feature of the bank's funding operations.

Channel 4 to launch share show

By Raymond Snoddy

CHANNEL 4 is to launch its own equivalent of The Price Is Right—a Stock Exchange game show to be launched in the autumn.

Although The Stocks and Shares Show will have a popular format, the purpose will be deeply serious—to improve public knowledge about the workings of the Stock Exchange, explain market jargon and how to judge market movements.

The programme made by Anglia TV, will be the first in Britain to recommend particular stocks and shares although there will be clear warnings to "dilettante dabbles" that shares "can damage your wealth.'

The programem format, which has been approved by the Independent Broadcasting Authority, is for a weekly contest between four members of the public who *are given a notional £10,000* each invest.

They will receive professional advice and investment tips from guest financial journalists and analysts. Dealing charges will also be included to add realism.

Contestants then make their share selections from those on offer and some of their own choices. The experts may be invited back to explain themselves if their recommendations go badly awry.

In the pilot programme, which will not be broadcast, Mr Anthony Hilton, City editor of the London Standard, told a *contestant that his £1,400 "investment"* in STC, the electronics company, would worry him.

The 12-part series will be broadcast on Sunday evenings from January. At the end of the series, a contestant will be proclaimed Investor of the Year and will win a prize.

Mr John Swinfield, producer and presenter of the programme, said yesterday there would be plenty of warnings to viewers of the dangers of gambling on the Stock Exchange.

"Shares can damage your wallet. The Stock Market is no place to be if you can't afford *to lose a few hundred pounds,"* he said.

Anglia is looking for contestants

Childcare costs refund plan for jobless parents

BY DAVID BRINDLE

UNEMPLOYED single parents are for the first time to be reimbursed their childcare costs if they attend a government training scheme.

The Government has agreed to a trial in 10 areas whereby single parents joining the Job Training Scheme will be eligible for payments of up to £50 a week per child for the *full* costs of a registered child-minder or other childcare.

The pilot scheme will run for six months, during which it will be evaluated and costed with a view to its continuation on a national basis.

Sir Bryan Nicholson, chairman of the Manpower Services Commission, said yesterday: "We know that lone parents have been at a disadvantage because, although they may have wanted to get the benefit of training, they were deterred by the cost of child care."

The 10 pilot areas, which match the areas where JTS was first tested, are: Grampian and Tayside; Devon and Cornwall; Swansea, Port Talbot and Neath; Sussex; Cleveland; Lancashire; Staffordshire; west London; Leicestershire and Bradford; Kirklees and Calderdale.

JTS, launched on a national basis in April, is aimed at the long-term unemployed. Trainees receive an allowance equivalent to their former state benefit, plus travelling expenses.

Two jailed for computer fraud attempt

FINANCIAL TIMES REPORTER

TWO MEN who nearly succeeded in a £5m computer fraud were jailed by an Old Bailey judge yesterday.

Mr Angelo Lamberti, 25, of North Finchley and Mr John Filinski, 23, of Friern Barnet, both in north London, had admitted conspiracy to defraud Bache Securities by procuring the unauthorised transfer of 18 Eurobonds worth £5m.

Judge Kenneth Machin quashed a charge of making a false instrument, an electronic message, for the transfer of the bonds. Both men denied the charge.

Mr Julian Bevan, Treasury Counsel, said: "In olden days one found people burrowing through the vaults of banks with sweat and toil to get money. Now there is no sweat and no toil, one simply taps *instructions into a computer.* The law of this land is totally ill-equipped to deal with crime of this sort."

He told the court that Mr Lamberti worked at the Bache Securities office in Devonshire Square, London, had access to codes and computer passwords and knew where the bonds were.

Mr Filinski, a roofer, had introduced Mr Lamberti to a "gang of international fraudsmen" who recruited him to transfer the bonds to an account in Switzerland. The bonds were to be sold to dealers through a businessman who believed the transaction was honest.

A computer was installed in Mr Filinski's home, where, in February last year, Mr Lamberti tapped out the appropriate passwords and instructions for the bonds to be transferred. An astute employee at Bache spotted the illegal transfer just *before the sale date.*

Bache managed to convince the Geneva bank the transfer was unauthorised and the bonds were frozen.

Mr Lamberti was jailed for three years and Mr Filinski for 18 months.

Bristol dockers told ports not for sale

DOCKERS at Bristol's three loss-making ports, Avonmouth, Royal Portbury and Portishead, have been assured that there is no intention of selling the docks, Mr Nasim Ahmad, Port of Bristol Authority chief executive, has told officials of the Transport and General Workers' Union.

However, Tories on the city council, which owns the three docks, are not convinced with Mr Ahmad's assurances and are demanding an investigation. The docks lost £3.6m last year.

Time for a close look at timing

Richard Waters on the issue of when to report profits

A *MULTI-MILLION* pound law *suit* launched last *month* against one of the country's largest *firms of auditors* has focused attention on an accounting problem that has been causing increasing concern behind the scenes.

The writ against Deloitte Haskins & Sells over its audit of PPL, the computer software company, claims PPL recorded profits before it should have and that Deloitte gave its blessing to this. Future costs incurred by the company reduced this reported "profit," it is claimed.

The timing of companies' reports of income (and hence profits) is to come under official *scrutiny soon. The review will* affect all companies, whether involved in long-term projects or one-off sales of consumer goods.

The question of when profits can be recognised is an old accounting chestnut — given a new lease of life by companies seeking to boost reported earnings. Since income can only be recognised once, any benefits from bringing income forward can only be one-off—meaning any company following such a policy has to run faster in later years to catch up.

At the moment, anything *goes.* Deloitte Haskins and Sells technical partner, Mr Matthew Patient, says: "There is a range of ways of recognising income, *from* the prudent to the not so prudent. All are acceptable."

The Institute of Chartered Accountants in England and Wales has referred the issue to the Accounting Standards Committee. An existing international accounting standard (which has no force in Britain) should be adopted as a pointer to best practice, it said.

The technical departments of the large accounting firms report a continuing stream of queries on when profits can be recognised. Mr Andrew Ratcliffe, technical partner of Coopers and Lybrand, says: "It is a pretty fundamental area where guidance would be helpful."

"People are trying to find ways of recognising revenue earlier," says Mr David Cairns, International Accounting Standards Committee secretary. It is a view echoed by Mr David Tweedie, technical partner at Peat Marwick McLintock.

Income used to be recognised only when cash or a cast-iron guarantee of payment was received, says Mr Tweedie. Companies now look to what he calls a "critical event" as the moment when income should be taken.

A software company, for instance, may report a sale when it has sold a licence agreement—even if it has yet to instal its product and tailor it to a customer's needs. These future liabilities, which are unquantifiable, could wipe out much of the "profit" reported at the time of the sale.

Another industry where specific problems of revenue recognition apply is construction.

Companies in the sector differ in their treatment of income. George Wimpey's turnover includes all construction work executed during the year, while Tarmac only includes income from private houses when a sale reaches legal completion. Barratt, on the other hand, leaves readers of its accounts in the dark: "Turnover comprises the total proceeds of building and development on which profit has been taken," it states boldly.

Banking also has its problems. Arrangement and other up-front fees on bank facilities are generally taken straight into profit by banks. On new, complex financial instruments such as swaps, the up-front fee can represent a significant part of a bank's income on a deal, even though its commitment under a swap may last several years. "It is possible to construct such a deal so that you could take more income up-front," says Mr Cairns. "You can find people to arrange anything these days." Fees received by banks are already the subject of a US accounting standard.

The problem is not restricted to specific industries. Even a retailer like Marks and Spencer, which makes a virtue of its willingness to refund money, theoretically needs to set aside provisions *against reported* sales.

Marks and Spencer's policy is to count as turnover sales less returned goods. With rising turnover, this method overstates income (and profit), albeit marginally, since the volume of returns in any one year relates in part to the previous years "sales."

The ASC does not plan to tackle the subject until the New Year. Its own future is currently the subject of wide-ranging debate within the accounting profession: it is unlikely to tackle a broad conceptual problem like this until it knows the ground is firm under its feet. And according to committee chairman Mr Michael Renshall, revenue recognition, though always an area of accounting debate, is not "the hottest topic at the moment": off balance sheet finance and accounting for acquisition claim that distinction.

The PPL case should help to bring it off the back burner. The software company went into receivership earlier this year, 11 months after floating on the stock market.

"PPL's method of accounting was the method adopted by a lot of other (software) companies," says Mr Patient. It was not necessarily the most prudent, he says, but it was perfectly acceptable.

Such cases should focus the minds of the accounting profession wonderfully when it comes to tightening reporting methods.

Japanese boost manufacturing output in Wales

BY DAVID THOMAS

TWO JAPANESE companies are expanding their manufacturing operations in Wales, one of the areas most favoured by Japanese companies for inward investment into the UK.

The companies, Brother Industries and Orion Electric, both stressed that their new operations would use a high percentage of local components — the focus of European Commission concern at present in anti-dumping inquiries.

Brother, which began UK production of electronic typewriters in 1985, is investing £4m to manufacture computer printers at its site in Wrexham, north Wales.

The investment will add another 100 jobs to Brother's 400-strong Wrexham workforce, which makes electronic typewriters and microwave ovens.

Mr Malcolm Newman, Brother's general manager for manufacturing, said the EC's decision to launch an anti-dumping inquiry into printer imports earlier this year had speeded up the decision, which Brother had already been planning partly because of the high value of the yen.

He added that by value, more than half the components for the printers, including plastic parts and printed circuit boards, would come from local suppliers, from the outset.

On Thursday, the European Commission launched its first inquiry using a new law which can extend anti-dumping duties to imported components. Brother's electronic typewriter plant in Wrexham was one of the seven plants named in the inquiry.

Brother in Wrexham will start producing 3,000 printers a monh next month, building up to 10,000 a month early next year when about 70 per cent of the output is planned for exports. Brother claims about 5 per cent of the UK printer market.

Orion, which opened its video recorder factory in Kenfig Hill, south Wales, last year, is almost doubling the plant's output in a £1m investment which will add 150 jobs to the present 250.

By the end of the year, Orion expects to have increased its video output from 40,000 a month to 70,000 a month, 70 per cent of which will be exported.

Orion is not subject to European Commission anti-dumping duties. Nevertheless, Orion stressed its commitment to using local components in line with British Government expectations.

It said 50 per cent of its components were locally made and this had created a further 400 jobs in the UK.

Orion, most of whose videos are sold by other companies such as Dixons under their own names, is also contemplating a further expansion of output next year.

Orion said it was expanding its Kenfig Hill plant, its first European venture, because it was pleased with the capable and enthusiastic workforce.

Management change at Swan Hunter

BY IAN HAMILTON FAZEY, NORTHERN CORRESPONDENT

SWAN HUNTER, the Tyneside shipyard privatised last year in a £5m buy-out from British Shipbuilders, has restructured its senior management.

The change is to help overcome the problem of having the Royal Navy as the yard's only customer, a situation which puts it at the mercy of Government orders.

Boardrom changes announced last week have created specialised jobs for the four managing directors who comprised the original buy-out team.

Mr Peter Vaughan, who provides the financial input for the buyout negotiations, will be dealing with diversification, procurement and commercial affairs.

Mr Alex Marsh, who has become chief executive, said yesterday that Mr Vaughan would be concentrating on applying Swan Hunter's "potential and capability in a wider field."

He added: "We are addressing the wider issue of growth, of adding to the mainstream business of shipbuilding and maritime defence. We are moving into wider areas of business in the UK and overseas and need a new structure to deal with this growth."

Mr Marsh, whose deputy chief executive will be Dr Roger Vaughan, another member of the buy-out team, refused to specify which areas were being looked at because discussions were still in progress.

However, they are understood to involve wider areas of maritime defence other than shipbuilding and fields which can use the company's proven skills in general, design and project management.

In export markets, Swan Hunter is believed to be looking at collaborative ventures with companies and governments.

Dr Ken Chapman, the fourth member of the buy-out team, takes overall responsibility for market development and sales, while Mr Adrian Ould joins the board as finance director. Mr Ould, former director of finance at Thames Water, worked previously for Grand Metropolitan and Dalgety.

The shipyard has £200m of warship orders and is negotiating with the Government over an auxiliary oil replenishment (AOR) vessel for the Royal Navy. It expects to have "clarified" its tender in time for a contract to be awarded in the late autumn.

This will be the Navy's second AOR. The first was awarded to Harland and Woolff's Belfast yard last year despite Swan Hunter's claims that private sector constraints made its tender the more competitive.

The decision lost 825 jobs on Tyneside and underlined the need for the company, which now has 3,600 employees, to broaden its base.

Output figures confirm decline in North Sea oil

BY MAX WILKINSON, RESOURCES EDITOR

OIL OUTPUT from the British sector of the North Sea fell by 4.7 per cent to 2.52m barrels a day in the first seven months of the year compared with the corresponding period of 1986, figures published yesterday show.

The Energy Department's Advance Energy Statistics showed output fell below 2.5m barrels a day in the May to July maintenance period. Average daily output in this period was 2.49m barrels, 128,000 barrels below the level of the corresponding period last year.

The figures confirm that the predicted decline in North Sea production has now set in. A record average of 2.567m barrels a day was reached in 1985, and this level was almost maintained in 1986 when average output declined only by about ½ per cent.

In spite of recent discoveries and increases in the estimates of existing reserves, the industry now expects output to decline fairly steadily. Oilfields under development are too small to compensate for the decline in output from the largest fields now past their peaks.

The rate of decline will depend on the rate of discovery and development of new fields. Recent estimates, however, show output from fields now in production will have fallen to only about a third of current output levels in 10 years' time.

AIDS campaign aims to warn drug addicts

BY CLARE PEARSON

THE GOVERNMENT'S public education programme against AIDS targeted specifically at drug addicts was launched yesterday.

Mr John Moore, Social Services Secretary, said it was not known how many drug users were already affected, but in some parts of the UK as many as 50 per cent could be classed as HIV positive, which meant they were carrying the virus.

"Don't inject AIDS" is the key message of the £5m campaign scheduled to start last night. An 80-second television commercial shows a drug addict injecting with an AIDS-infected needle.

The campaign, which runs in tandem with the Government's drug prevention drive, is aimed at discouraging young people who may be tempted to use drugs.

It also aims to discourage existing drug users from sharing needles by pointing out the dangers they face.

Mr Moore said the latest campaign brought government spending on AIDS public information to £12m. A budget of £20m was allocated when the programme started in March last year.

Tokyo welcomes Eurotunnel road show

By Carla Rapoport in Tokyo

EUROTUNNEL officials received a warm welcome this week from Japanese banks which plan to underwrite about 30 per cent of the £5bn of bank loans and standby credits for the project.

Mr Alastair Morton, Eurotunnel's British joint chairman, said in Tokyo yesterday: "The interest has swelled into an air of excitement in Japan. The tunnel is seen as a great European prestige project, very high profile."

Following talks with leading Japanese bankers and government officials, Mr Morton said the Japanese were interested in funding not only the tunnel but other major European transport projects as well, including motorways, bridges and tunnels planned by the private sector.

"They perceive the tunnel as a point of entry for a series of projects. What was initially seen as a good business deal is now acquiring star status," said Mr Morton.

The Japanese were interested in backing these projects because of their liquidity and their willingness to lend funds on a long-term basis, he said. US banks, by contrast, were not as interested in lending long-term.

Mr Morton's presentations on the tunnel were aimed at assisting the 16 participating Japanese banks to syndicate their loans in Japan. Japanese bankers yesterday said they did not expect much difficulty in encouraging other banks to join their syndicates.

The Eurotunnel officials' visit to Tokyo is part of a worldwide "road show" which will finish in Toronto next week. The officials expect to return to Tokyo in November to promote the company's equity issue in Japan.

Architects' earnings up by 10%

By Clare Pearson

Architects' earnings rose by 10 per cent on average in the year to the end of April, comfortably outstripping a 7.8 per cent earnings rise in the economy as a whole, according to the Royal Institute of British Architects.

The increase, which compares with a 7 per cent rise in the previous year, brings architects' average earnings to £15.500, says an RIBA survey.

The survey also shows a reversal in the trend towards underemployment among architects. This year, only 9 per cent of respondents said they were underemployed for a significant part of the previous 12 months, against 14 per cent last year.

Partners in private practice, architects in central government, industry and commerce generally earned more than the average, while sole principals, salaried architects in practices and those in local government mostly earned less.

The differential between men's and women's earnings, although still significant, narrowed markedly. For instance, salaries of male principles in private practice were 44 per cent greater than those of their female counterparts this year, compared with 78 per cent in 1986.

The annual survey is based on a randomly-chosen sample of one in five architects across the UK.

Architects' Employment and Earnings 1987. RIBA, 66 Portland Place, London W1N 4AD. £15 members; £25 non-members.

British Rail eastern service criticised

BRITISH RAIL was yesterday accused of running an overcrowded and unreliable service in eastern England.

The Transport Users' Consultative Committee for the region, said in its 1986-87 annual report: "We do not consider that commuters are currently getting sufficient value or consideration for their money."

Mr Barry Flaxman, the committee's chairman, expressed concern for the future of BR as a national system. "A fundamental defect underlying many problems is the steadily diminishing concept of a single railway system where each part integrates its services with the others to the overall good."

The committee said the overall standard of train punctuality was below what the travelling public had a right to expect, and it also criticised the quality of much of BR's rolling stock, singling out the main line between London and Colchester.

Richard Evans examines the storm of controversy raging over privatisation proposals

Water flotation plan faces tide of opposition

THE FLOTATION of the water industry, potentially one of the largest and certainly the most contentious of all the Government's privatisation proposals, could prove a damp squib for investors unless a new formula is found.

That is the view of many water industry professionals following the Government's hurried pre-election decision to hive off regulatory and water management powers from the privatised authorities to a state-controlled quango, the National Rivers Authority.

The industry fears that this would destroy the much-prized concept of integrated river basin management under which the authorities control all functions from the collection of rainwater to pumping of treated sewage into the sea. This has been universally acknowledged as a highly effective system since its introduction in 1974.

The experience gained has made the UK industry a world leader and there is growing scope for overseas consultancy work.

The Government's critics argue that under the latest plans—which would leave privatised authorities responsible simply for water supply and sewage disposal—scope for growth would disappear and hundreds of millions of pounds would be wiped off the value of the industry, currently put at anything between £5bn and £8bn. The City would also have the problem of trying to sell organisations with no proven track record.

Mr Nicholas Ridley, Environment Secretary, felt obliged to tear up the Government's original privatisation proposals over a year ago because of implacable hostility from landowners, farmers and some sections of industry.

So Mr Ridley had a problem, but it is one he has compounded by triggering more hostility and suspicion from management and staff than in any other privatisation exercise.

His chosen alternativ, which appeared without warning in the Conservative Party election manifesto, has largely met the worries of organisations like the Country Landowners Association, but it has shocked much of the industry. It would mean the NRA having responsibility for a whole range of functions now controlled by the 10 authorities in England and Wales, including water conservation and resource planning, pollution control, fisheries, land drainage, flood protection and navigation.

The question now is whether Mr Ridley will steamroller his plan through or whether a formula can be found that would allow the privatised authorities to retain more of the present structure.

In theory there is time—the main privatisation legislation is unlikely to appear before the 1988-89 parliamentary session—but in practice the concept of the NRA seems set in concrete. However, Mr Ridley and Lord Belstead, minister with responsibility for the water industry, have made it clear that in their view the only way to gain sufficient support for privatisation is to retain all regulatory functions in the public sector.

Strained relationship: Nicholas Ridley (left) and Roy Watts.

Although there is widespread suspicion and concern within the industry, opposition is not total. Mr John Bellak, chairman of Severn Trent, the second largest authority, has welcomed the revised proposals as the most practical way of ensuring that privatisation goes through.

At the other end of the scale, leading the assault on Mr Ridley is Mr Roy Watts, chairman of Thames Water, the biggest and most profitable of the 10.

Relations between Mr Ridley and Mr Watts have become increasingly strained as Thames has mounted an aggressive campaign against the NRA. There have been none too subtle hints that unless Mr Watts adopts a lower profile he could find his job in jeopardy.

In the middle are the other eight chairmen, including Mr Gordon Jones, chairman of Yorkshire Water and of the Water Authorities Association. All are worried by the NRA proposal and appalled at the lack of consultation. They would like to see a formula that would allow the public sector to concentrate on regulation, leaving the private sector to concentrate on operational management.

The WAA remains convinced that the original flotation proposals would have provided the best basis for privatisation. The latest plans, it is argued, would be much more costly because of the large NRA bureaucracy, and would mean less flexible working, slower responses to emergencies and greater potential for conflict within the industry.

The attack is certain to be spearheaded by Mr Watts and the atmosphere could get nasty.

His solution would be to replace the NRA with a much smaller regulatory authority which would be responsible for the aims and objectives of the industry and licences.

The key to the outcome probably lies with the 147 MPs who represent constituencies in the Thames region, particularly the 119 Conservatives. The prospects of Mr Ridley abandoning the NRA proposal are slender but it will be a miracle if the plan gets through unscathed.

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INTERNATIONAL APPOINTMENTS

Advanced Micro Devices in organisational switch

BY OUR FINANCIAL STAFF

ADVANCED MICRO DEVICES, the California-based, computer-based concern, has made a series of organisational changes aimed at beginning the integration of the manufacturing, sales and marketing, and administrative functions of AMD and its wholly owned subsidiary, Monolithic Memories (MMI).

The changes involved include: The election of **Mr Michael J. Callahan** as president and chief executive officer of MMI and senior vice president, programmable products of AMD. Mr Callahan, formerly executive vice president and chief operating officer of MMI, succeeds **Mr Irwin Federman** who has assumed the post of vice chairman of AMD.

Mr John East becomes senior vice president, logic for AMD. He was formerly vice president and group executive of AMD's logic group.

Mr John Bourgoin is appointed vice president of MMI with responsibility for all high-performance PROMs (programmable read-only memories) and MMI's advanced logic products. Mr Bourgoin was formerly managing director of the bipolar PROM and PAL (programmable array logic) directorate at AMD.

The company has appointed **Mr George Karn** as division vice president of AMD for Sunnyvale-Santa Clara wafer fabrication operations. Mr Karn formerly was vice president, manufacturing for MMI.

Mr Timothy J. Propeck becomes vice president, headquarters marketing for AMD, having been vice president—marketing at MMI. **Mr Thomas Branch** takes on the job of AMD vice president, geographic sales for North America, having formerly served as vice president of sales for MMI.

Mr Jan Praisner is appointed director and manufacturing controller of AMD. Mr Praisner was formerly vice president, controller at MMI. He takes responsibility for the financial management of all manufacturing operations and corporate cost accounting.

Mr Al Frugaletti becomes director of sales, distribution for AMD. He was formerly vice president of distribution sales at MMI.

Advanced Micro Devices and Monolitic Memories have been running on combined revenues recently at an annual rate of some \$1bn. The joint organisation has 17,000 employees worldwide. AMD focuses on producing programmable logic products, high-performance microprocessors, and high value-added integrated circuits for office automation with emphasis on networking and telecommunications applications.

Japanese Economic Council chief

THE ECONOMIC COUNCIL of Japan, an advisory body to the Prime Minister, is to appoint Mr Gaishi Hiraiwa, chairman of Tokyo Electric Power Company, as its chairman at a general meeting on September 10, reports Kyodo from Tokyo.

Mr Hiraiwa, who has been a member of the council since March 1976, is to succeed Mr Jiro Enjoji, an adviser to Nihon Keizai Shimbun, the economic daily paper, who retired recently.

Mr Hiraiwa, 73, joined a predecessor company of Tokyo Electric Power Company, and became chairman of the company in June 1983, after being president. He has been a vice chairman of the Federation of Economic Organisations (Keidanren), since 1978.

Amro Bank head widens his scope

By Our Financial Staff

Mr W. G. Jiskoot, 37, has been appointed head of the institutional banking division of AMRO BANK, of the Netherlands, in Amsterdam, succeeding Mr M. H. Reuchlin who has been

appointed managing director of EMC-AMBRO Bank in London.

Mr Jiskoot has most recently been head of Amro's capital markets group. He remains responsible for this activity, which has now been integrated into the institutional banking division.

Amro is the second largest of the Dutch banks.

Editorial director for Time Inc.

Mr Ray Cave, who has been corporate editor of TIME INC., the US publishing house since 1985, has been appointed editorial director of the company.

Mr Cave had been scheduled to assume the post in December at the same time that Mr Jason McManus, the editor-in-chief, was to succeed Mr Henry Grunwald as editor-in-chief upon the latter's retirement. However, as earlier announced, Mr Grunwald pushed forward his retirement plans, because he is under consideration for a government post. This results in both Mr McManus and Mr Cave assuming their new positions earlier than had been planned.

Mr Cave joined Time Inc. in 1959 as a writer for Sports Illustrated, and became successively senior editor, assistant managing editor and in 1974 executive editor.

*

PHELPS DODGE CORPORATION has announced the appointment of **Mr H. E. Dunham** as assistant manager of its Morenci branch at Morenci, Arizona. The Morenci operations claim to be the largest producer of copper in the US.

Mr Dunham has been employed by Phelps Dodge since 1972. He has served as superintendent of the company's Hidalgo smelter in New Mexico and as superintendent of the Morenci smelter, before assuming his present position as general superintendent of the Morenci branch.

*

AMERICAN MEDICAL International, the international hospital management chain based in California, has announced that **Mr Royce Diener** will relinquish his post as chairman after the January 21 annual meeting, but will remain a director and chairman of the executive committee.

Mr Walter L. Weisman is to become chairman, while remaining chief executive, and **Mr Gene E. Burleson**, the chief operating officer, is to be president.

Shearson Lehman Swiss move

SHEARSON LEHMAN Brothers, the Wall Street investment house, has announced plans to add a trading arm to its capital markets team in Switzerland.

Mr Jean-Pierre Giroud has been recruited as a director and head of trading, from First Chicago Geneva. Mr Giroud will build a trading team which is expected to start trading in January next year, to coincide with Shearson's move to new offices together with the Geneva brokerage unit.

Mr Alex Bridport, head of Shearson Lehman's capital market operations in Switzerland, hails the move as "an important step forward" in Switzerland.

Accountancy Appointments

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In recent years retail has consistently been the most successful sector in terms of both profitability and innovative expansion. Our client has dominated this growth within the UK, and developed substantial overseas operations, with its emphasis on aggressive marketing policies instigated by high calibre youthful management.

Having recognised the need to expand its financial services operations, a challenging opportunity has arisen to develop the dynamic area of Treasury Management. This is a new position which will require proactive management skills to both develop the necessary accounting systems and assume controllership responsibilities.

The role is demanding and progression within the group will be rapid, thus the candidate should be ambitious and highly motivated. As there will be frequent contact with senior management and board members, highly-developed interpersonal skills are also an essential pre-requisite.

If you are a recently qualified ACA with Big 8 experience and would like to investigate this position, please contact Mark Gilbert ACA on 01-930 7850, or write enclosing details to the address below.

ROBERT • WALTERS • ASSOCIATES

RECRUITMENT CONSULTANTS

66-68 Haymarket London SW1Y 4RF Telephone: 01-930 7850

Tax Accountant

c. £21,000 + benefits

Friends Provident is one of the largest and financially strongest mutual life offices in the UK, with operations also in Australia, Canada and the Republic of Ireland. Funds under management exceed £5½ billion.

Substantial growth and reorganisation have created a new career opportunity within the Finance Division at our Salisbury Head Office.

Reporting to the Tax Manager, you will lead a small team engaged in the production of tax computations for Friends Provident and its associated companies. You will also be involved in the continual review of the affairs and activities of the Group, both in the UK and abroad, to ensure compliance with existing and new legislation.

This is a key appointment in the development of our Finance Division and will appeal to someone with an accountancy or tax qualification who is now looking to make a worthwhile career move. You should be fully conversant with current UK tax legislation and be able to quickly assimilate and interpret new legislation as it arises. Additionally, you should be highly motivated and have the personal qualities to make a significant contribution to our enthusiastic management team.

We offer a salary in the region of £21,000 with attractive fringe benefits which include a company car, annual staff bonus, non-contributory pension scheme and concessionary house purchase facilities. We also provide a super working environment, a subsidised staff restaurant, flexible working hours and an active Sports and Social Club.

If you are interested in joining a leading life office located in one of the most beautiful parts of the country, please write with a full CV to:
Stuart Patterson, Manager, Personnel and Administration, Friends Provident, 72/122 Castle Street, Salisbury, Wiltshire. SP1 3SH.

Friends Provident

Financial Controller

South Midlands **c.£20K plus car**

In order to develop the line of succession in the Finance function of this highly successful £60m turnover, manufacturing business, a Financial Controller is required to control and co-ordinate the development of the management information systems.

Candidates should be qualified, likely to be older than 30 years, have considerable experience in the implementation and development of computerised management information systems and have sufficient ability and confidence to develop further within the senior management structure. As the role develops there will be the opportunity to broaden the responsibilities in line with relevant candidates' ability and potential.

This is a rare opportunity in a successful, old established, market leader in an attractive high quality industry. Longer term prospects are excellent and the location is within easy travelling distance of beautiful countryside.

Applications are welcomed from men and women.

Please send full CV, including salary progression, to John Elliott FCA, Director, Overton Management Selection, Monaco House, Bristol Street, Birmingham, B5 7AS, quoting reference 11/1639.

OVERTON MANAGEMENT SELECTION

EXPANDING NATIONAL STOCKBROKER

MANAGEMENT ACCOUNTANT

CITY *£28,000 + CAR + BONUS*

This successful independent stockbroker is a leader in the private client market and currently employs 300 people. The business is growing and has already diversified into other financial services. Future plans include a market listing, providing ample opportunity for career development.

The position arises following an internal promotion. Reporting to the Finance Director, you will be responsible for the provision of meaningful management information involving extensive use of micro and mini computers. You will also be expected to develop performance measures and ratio controls. The company's spectacular growth will demand your involvement in a number of exciting projects.

You should be a qualified accountant in your mid/late twenties with at least two years experience of providing and interpreting management information. Knowledge of the stockbroking industry would be an advantage but is not essential. Good interpersonal skills, initiative and energy will determine your success in this fast moving business.

To find out more, telephone Heather Male on 01-629 8070 or send career, salary and personal details quoting ref L.279 to her at Slade Consulting Group (UK) Ltd, Metro House, 58 St. James's Street, London SW1A 1LD.

International Search and Selection

SLADE CONSULTING GROUP (UK)

Chief Internal Auditor

Woking *c.£30,000 + benefits*

Hogg Robinson plc is experiencing an exciting and challenging period of development. Alongside the traditional travel business, it is developing its activities in the property and financial services sectors.

Reporting to the Board, you will have a demanding role – managing and developing the internal audit function and undertaking high level business reviews of both new and existing activities. This is a key position, assisting senior executives on a strategic level.

You will be either a qualified accountant in your early thirties or unqualified in your late thirties/early forties with strong relevant experience. A retail or service background will be an advantage. Experience within a sophisticated DP environment is essential.

The excellent remuneration package, which includes a quality company car, reflects the importance of this senior position. Future prospects will ensure rapid career progression.

Please reply to Alison Hawley, in strict confidence, with details of age, career and salary progression, education and qualifications, quoting reference 5031/FT on both envelope and letter.

Deloitte Haskins+Sells

Management Consultancy Division

P.O. Box 198, Hillgate House, 26 Old Bailey, London EC4M 7PL.

BANKING

City c£21,000 plus banking benefits

Our client, National Westminster Bank PLC, wishes to strengthen further the group finance function by recruiting a number of high calibre chartered accountants. Excellent career opportunities exist to move into senior management positions.

Assistant to Technical Manager

The successful candidate will assist the technical manager in providing expert advisory services to senior management. The work involves the review of technical statements from regulatory and other official bodies, drafting replies to technical questions; helping to develop the group accounting manual and handling ad hoc enquiries.

Applicants should be recently qualified chartered accountants preferably with experience of US reporting and the financial services sector.

Accounting Managers

Successful candidates will join the group consolidation function within the financial control division. Responsibilities will cover the processing and further development of the quarterly computerised consolidation exercise and the preparation and submission of information to the Federal Reserve Board, the SEC and US rating agencies regarding the bank's US operations. These posts offer the opportunity to make a recognisable contribution to financial control within the bank.

Applicants should be young chartered accountants with one to two years post qualifying experience, preferably in a larger professional firm.

For each of these posts, the bank is looking for candidates with outstanding potential who wish positively to make a career in an international financial services group. In each instance, the posts offer, in addition to the basic salary package, a generous range of banking benefits including 30 days annual holiday. Stimulating opportunities for career and remuneration progression are offered.

Please write in confidence, with full career details and quoting ref 3506 to John W. Hills.

KPMG Peat Marwick McLintock
Executive Selection and Search
9 Creed Lane, London EC4V 5BR

Careers in Investment Banking

Ambitious ACAs

£22-25,000 + banking benefits

Our client, one of the largest and most innovative US Banking Groups, is offering exceptional opportunities for high calibre, ambitious professionals to make a career move into investment banking operations.

Working with senior management, you will undertake a variety of projects and operations assignments designed to give you experience across the business before moving into a line position within a specific treasury or capital markets area.

Candidates aged c. 24-30, preferably ACAs, must have above average technical and personal skills, be enthusiastic, hard working and prepared to use their initiative.

Interested candidates should contact *Suzie Mumme* on 01-248 3653 (0932-220151 evenings/weekends) or write, enclosing a detailed curriculum vitae. All applications will be treated in the strictest confidence.

60, Cheapside, London EC2V 6AX — BBM ASSOCIATES — *Telephone: 01-248 3653*

CONSULTANTS IN RECRUITMENT

R H Associates
A Division of Recruitment Holdings Ltd

Accountancy Recruitment Consultants

BUSINESS ANALYST

Hi-tech plc

Central London

c£20,000 + Benefits

A market leader in their sector and respected worldwide, our client has the reputation as one of the most successful and influential companies involved in innovation and technology. With a turnover exceeding £3bn the company continues to expand both organically and through acquisition.

As a result of promotion, an opportunity now exists for an exceptional newly qualified accountant within the Corporate Headquarters.

Your key responsibilities will focus upon the critical review and evaluation of substantial investment proposals and existing projects. As a result of preparing and presenting your recommendations, you will liaise directly with the Board and senior managers both at corporate and operating subsidiary level.

This being a high profile position, where initiative, ambition and commercial flair will not go unnoticed, your career path is mapped out to take you eventually into a senior line management role.

You are likely to have experience of a large company environment, be qualified and aged under 30. Your communication skills will be excellent, but most important you will be ambitious for success and committed to a challenge.

Interested? Ring Kiran Cartner, on 01-379 6668 (24 hrs), out of hours on 01-370 7873 or send your CV.

18 Exeter Street, London WC2E 7DU
Telephone 01-379 6668 Telex 965423

FINANCE DIRECTOR DESIGNATE

Tandem Computers is one of the world's most successful data processing companies and is indisputably the world leader in fault-tolerant systems.

Since the first product shipment in 1976, Tandem has grown in to a highly profitable company with a worldwide turnover which will exceed $1 billion this year and is a Fortune 500 company.

We have a major presence in the UK, being the largest subsidiary of Tandem Computers Inc., and sell and support a wide range of high value compatible and expandable computers to Times Top 1000 companies.

We are seeking a Finance Director Designate who will report to the UK Managing Director. The successful person will be a member of the management team and will contribute to the development of the business strategy. They will be involved with contract negotiations and customer presentations at a senior level, initiate and implement appropriate control procedures to facilitate high forecast growth and manage an established accounting and administrative department.

The job calls for a professional with sound business judgment who has the ability to set his or her own objectives in line with company goals and excel in achieving them. It is a demanding role in a rapidly-changing and developing organisation.

Applicants should be qualified accountants, aged 35 to 45, with proven management experience and business expertise. It will be an advantage to have worked in a high tech environment and to have had exposure to US accounting standards. If your current salary is less than £30K it is unlikely that you will have the necessary depth of experience.

The compensation package will include an attractive salary, company car and all the benefits you would expect from a progressive and successful company. You will be initially based at Northolt but we are planning to relocate to just north of Heathrow next year.

Please write or telephone now for an application form to:
Richard Hockey, Human Resource Manager, Tandem Computers Limited, Peel House, 32-34 Church Road, Northolt, Middlesex UB5 5AB.
Telephone: 01-841 7381.

TANDEM COMPUTERS
DESIGNED TO WIN

"Find us an agent of change . . . . ", they said.

Financial Planning Controller

International Business Services

City — *£30-35,000 + car & benefits*

This appointment is with the London headquarters of a prestigious business services organisation which has 4,000 staff and fee income approaching £150m in the UK. Planning for the future in a high growth, competitive environment has led to the creation of this new position, reporting to the Group Finance Director.

Your job will be to develop and manage long and short term planning activities - not only for finance but for all functions, through annual budgets, 3 year plans, and long term strategies. In this high profile appointment you will deal with top management and contribute to the direction and high growth of the firm.

Age 28-34, with a recognised accounting qualification, you will have significant planning and financial experience gained in a large commercial organisation and, will understand computer modelling.

You have vision and drive, and excellent interpersonal and analytical skills.

Your remuneration and prospects are excellent.

Please reply to Barbara Robertson, in strict confidence, with details of age, career and salary progression, education and qualifications, quoting reference 5027/FT on both envelope and letter.

Deloitte Haskins+Sells
Management Consultancy Division
P.O. Box 198, Hillgate House, 26 Old Bailey, London EC4M 7PL

Outstanding Opportunities for Finance Professionals

Merrill Lynch is one of the world's major financial services groups with substantial interests in Europe and the Middle East.

To meet the increasing importance of London within its Global market strategy, *Merrill Lynch has a number of select openings within the following areas.*

●MANAGEMENT INFORMATION ●TREASURY
●FINANCIAL CONTROL ●REGULATORY REPORTING
●GENERAL ACCOUNTING

These positions offer an unparalleled opportunity for self-motivated and confident Financial Managers who are able to display a proven record of achievement.

If you are interested in these opportunities please write or telephone Martin Krajewski in strictest confidence.

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A breed apart.

FIRTH ROSS MARTIN ASSOCIATES, WARDGATE HOUSE, 59A LONDON WALL, LONDON EC2M 5TP. TELEPHONE 01-628 2441

Firth Ross Martin
Financial & Professional Selection Consultants

Cadbury
the first name in chocolate

Finance Manager

West Midlands — **£20K + Bonus + Executive Car**

Cadbury Limited operates in a highly competitive market and has a record of significant growth in market share and profits.

As part of the Company's continuing commitment to growth and profitability, we have an opportunity for an ambitious Finance Manager.

Working closely with Sales and Marketing Directors and Senior Management, you will have responsibility for the preparation and evaluation of commercial strategies and tactical plans for trade sectors and major trade customers. The key elements of your brief will encompass business planning, performance analysis and the opportunity to contribute to decision making in a dynamic commerical environment.

We are looking for graduate accountants who are aged 27-35, and can demonstrate a creative problem solving approach within the commercial environment. In addition, we are looking for a broad based financial background preferably from within an FMCG/Retail environment which has provided you with significant exposure to marketing and sales functions. Familiarity with mainframe and micro-computer applications is essential.

In return, the Company offers good prospects for further career advancement and a generous remuneration package including an executive car and relocation expenses where appropriate.

Interested candidates should write to Dean Gollings BA ACA, enclosing comprehensive CV at Executive Division, Michael Page Partnership, Bennetts Court, 6 Bennetts Hill, Birmingham B2 5ST.

Michael Page Partnership
International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham Manchester Leeds Glasgow & Worldwide
A member of Addison Consultancy Group PLC

FINANCIAL CONTROLLER

Accelerate your career

Bushey, Herts — *Up to £30K + bonus and Executive Car*

Europcar are Britain's biggest vehicle rental company and as part of their continuing growth are now seeking a Financial Controller who is ready to take the next major step in their career.

europcar
rent a car

As a member of the Senior Management team, reporting to the Financial Director, with your own staff of 40 you will be responsible for budgetary controls, financial and management accounts plus liaising with all external related bodies.

Aged between 28 and 38 you will be a qualified accountant, preferably chartered, or certified, and will have at least 5 years' experience in a commercial environment.

You should demonstrate strong man-management ability but also have a down to earth approach to problem solving and well developed inter-personal and communication skills.

All interviews will be held with the client company but in the first instance please telephone Victoria Phillpot on

01-405 9126

PLANNED PRE-SELECTION SERVICES
51-53 GRAY'S INN ROAD, LONDON WC1X 8PP

Financial Controller (Director Designate)

to £30,000 + car — PLASPLUGS — North Midlands

In less than 20 years, Plasplugs has become one of the UK's leading manufacturers of DIY hand tools and fixings. Its rapid growth and continuing commercial success owe much to its high quality, innovative and cost-effective range of products, which have been designed to offer real practical advantages over the competition. Turnover is likely to increase by over 40% this year, output from the American plant is expanding rapidly, and a USM listing is a real possibility in 1988.

To augment the Board the company is now offering this rare opportunity to a dynamic, young, entrepreneurial, financial manager. Aged under 40 years, and a qualified accountant, you will have already spent most of your career in a fast moving consumer oriented environment, where effective marketing and advertising are crucial to the continued success of the business. You must demonstrate a high degree of intellect along with imagination and enthusiasm, and possess broad commercial and corporate skills. The ability to make a significant contribution to the continued development of the company is essential, along with the ability to communicate well at all levels.

The salary package reflects the importance of this position, and along with a company car, there will be assistance with relocation costs to an attractive part of the Midlands.

Please write or telephone for an application form or send detailed CV to Philip Guy at the address below quoting ref: **PBM/1665/PG/FT.**

PA

PA Personnel Services

Executive Search • Selection • Psychometrics • Remuneration & Personnel Consultancy

6 Highfield Road, Edgbaston, Birmingham B15 3DJ.
Tel: 021-454 5791

Financial Director

Manchester
c £20,000
+ car + bonus

Recently acquired by a successful and rapidly expanding industrial group, this well-established manufacturer has a turnover of £5m. Significant growth is now anticipated and an experienced accountant is being sought for this newly created position.

Reporting to the managing director, the financial director will take full responsibility for the entire financial function of the company and will need to establish and maintain the high level of information and control expected of all the group companies.

Candidates, aged 28-40 must be qualified accountants with at least 5 years in a financial management position within manufacturing industry. Experience of computer-based financial planning and budgetary control systems is an essential requirement of the successful applicant, who will be energetic, flexible and resilient.

In addition to the basic salary, the remuneration package includes a performance bonus, a fully expensed car and other executive benefits. The prospects for outstanding performers to advance within the group are excellent.

Candidates should send a full CV, detailing current salary and quoting reference MCS 215 to Peter Jones at:
Price Waterhouse,
Management Consultants,
Executive Selection Division,
York House, York Street,
Manchester M2 4WS.

Price Waterhouse

The rising value of expertise...

Consultancy in Financial Services to £50,000 + Car

We are currently anxious to meet young professionals working in financial services. In the wake of 'Big Bang' our clients (a number of prestigious management consultancies), have needed to respond to the heavy demand for assistance from the major institutions.

If you currently enjoy the "boom like" atmosphere and complexities of the financial sector, but would like a break from the routine and repetitive work, then consultancy will give you the variety and challenge you need. Consultancy also provides a broader, sharper cutting edge to your business capability.

In additon to an excellent track record you will have an accounting qualification and/or MBA, and have experience of accounting in one of the following areas:–

* Merchant banking, International banking, Money broking or Insurance
* Eurobonds, equities, commodities, swaps, futures and options
* Treasury management – including funding and liquidity management.

If you feel you have an instinctive ability for problem solving and have aspirations to partnership in the near future then you should write to **Paul MacIldowie ACA at Michael Page Partnership, 39-41 Parker Street, London WC2B 5LH, quoting ref. 447.**

MP

Michael Page Partnership
International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham Manchester Leeds Glasgow & Worldwide
A member of Addison Consultancy Group PLC

Managing Controlled Growth

Young Director of Finance (Designate)

£22-£26,000 + Bonus + Car + Relocation — Herts

Our client is a subsidiary of one of the largest European groups in its sector involved in specialised electronic components manufacture and quoted on the USM. Employing c250 staff, the company is building upon its success with ambitious and realistic plans for rapid expansion, both by organic growth and acquisition in the UK and overseas.

Reporting to the Managing Director, the successful candidate will play a full part in the overall management of the company, supported by a staff of 9 in finance and computer services. A priority will be to develop systems, procedures, staff and management appreciation of financial issues so as to ensure that growth is both controlled and profitable.

Candidates for the position should be qualified accountants, probably aged 27-33 with line management experience in a manufacturing operation. Exposure to standard costing, monthly and annual reporting, budgeting and planning, project evaluation, capital expenditure review, systems development and possibly the electronics industry will be useful but not all are essential.

Please send your career and current salary details, including a daytime telephone number, to Barry C. Skates.

MKA SEARCH INTERNATIONAL LIMITED
MKA House, King Street
Maidenhead, Berks SL6 1EF
Telephone (0628) 75656

MKA

London, Maidenhead, Worcester, Leeds — Search, Selection & Training

20 Accountancy Personnel

Placing Accountants First

YOUNG FINANCE DIRECTOR

LONDON £28-£34,000 (neg) + car
USM Listing proposed 1988

This is an outstanding opportunity for an outstanding individual. Our client is a young Software House whose product has established itself as the standard by which the competition is measured. The last four years have seen a 500% profitable growth in turnover, and the company is well poised to capitalise on the financial freedom attendant with USM-status.

This is a new appointment, reflecting the company's ambitions and consequent requirement for skilled in-house financial management.

To complement the young innovative executive team, we are seeking a qualified Chartered Accountant, ideally aged 28-40, to bring a shirt-sleeves approach to an all-embracing role including; financial and management accounting, Company secretarial, cash management, acquisitions, systems development and commercial management. Exposure to USM/Stock market listings will be useful but not essential.

The key to this appointment will be personality as the company operates an open management style demanding a high level of self-motivation and commitment.

Applications will be treated in strictest confidence and should be sent to our consultant, Martin Humberstone. Alternatively telephone him for an early appointment.

Accountancy Personnel
63/65 Moorgate,
London EC2R 6BH
Phone (day) 01-638 8091
(eve) 01-511 6318
Fax No: 01-588 6448

Head of Production Finance

GRANADA TELEVISION

£25,000 to £30,000

LEADING IN A RAPIDLY CHANGING MARKET

Granada was one of the original broadcasting companies when independent television commenced transmissions in 1955. Since that time the company has maintained a commitment to quality programming and has developed into a strong and profitable operation.

The importance of the Finance function within this environment is well recognised and this position, although reporting to the Finance Director, requires a close working relationship with the Director of Programmes. This will involve the development and agreement of annual and long term programme plans against a background of very substantial structural change within the broadcasting industry. The successful candidate will be expected to play a major role in helping the company to successfully adjust to these changes.

Candidates, aged 30-40, must be qualified accountants with a high degree of commercial acumen and a successful career to date, which will include detailed experience in operating effective systems of budgetary control. Maturity and exceptionally high man management and interpersonal skills are essential prerequisites.

A highly attractive remuneration package will be negotiated and will include an executive company car, free private medical cover, excellent pension scheme, and if necessary generous assistance with relocation to the operation's Manchester headquarters. Most important are the very real career prospects which exist for the right candidate.

Interested applicants (male or female) should send a detailed CV or ring for an application form on 0625 533364 (24 hours) quoting reference 1250/FT.

Wickland Westcott & Partners
LONDON · PARIS · BRUSSELS · DUBLIN
Executive Selection/Management Development
Springfield House, Water Lane, Wilmslow, Cheshire SK9 5QS.
Telephone: (0625) 532446.

ACCOUNTANT/MANAGER
£35,000 – CITY

Our client, an international merchant bank, is looking to recruit a manager for its central accountancy area.

A minimum of 5 years previous experience within the banking sector is a prerequisite as you would initially be responsible for 7 other members of staff.

For further information of this challenging managerial position please call **Michael Williams.**

RECENTLY QUALIFIED ACA
BANKING – £16,500

If you are a recently qualified ACA or perhaps about to qualify, our client, a major international investment bank would be very interested in meeting you. Initially you would be based within the main Group Finance area with a strong emphasis on general *management and statutory* accounts. Full banking benefits will be offered with this career position. **For full details contact Michael Williams.**

18, Eldon Street, Moorgate, London EC2M 7LA. Tel: 01-588 4224

CAPITAL FUTURES
RECRUITMENT CONSULTANTS

Head of School/Professor of Accounting and Finance

Salary Grade: Burnham Head of Department Grade VI: £19,638 to £21,639 (under review)

Application form and further details obtainable, quoting reference: AA/471, from the Personnel Office, Lancashire Polytechnic, Preston PR1 2TQ.
Telephone: (0772) 262027
(24 hour answerphone).

Closing Date: 2nd October 1987.

Lancashire Polytechnic

FINANCIAL SERVICES

c.£25,000
City

OPERATIONAL ACCOUNTANT

This well-established and highly successful securities house is currently enjoying rapid expansion. Comprising U.K. Equity Market and Institutional Broker Dealer operations the company ranks among the top 6 in its field.

In order to strengthen the accounting function and further develop its Broker Dealer operation, our client seeks a young, motivated individual to join as Operational Accountant.

This broad and challenging role will embrace the preparation of management reports for submission to both the Stock Exchange and for internal use. As a key member of the management team you will become heavily involved in the identification of internal control weaknesses, settlement operations and systems appraisal and development.

Candidates should be aged 25-30 qualified ACA's with 2 years PQE and have a proven track record of career progression. You must be able to demonstrate a high level of technical ability, commercial flair and good communication skills.

The package will include a salary of c.£25,000, a profit related bonus, mortgage subsidy, private health care and non-contributory pension scheme. Please apply directly to Penny Ridgett at Robert Half, Roman House, Wood Street, London EC2Y 5BA.
Telephone: 01-638 5191. (evenings 01-733 3317)

Financial Recruitment Specialists
London · Birmingham · Windsor · Manchester

RH
ROBERT HALF

FINANCIAL CONTROLLER

CAMBRIDGESHIRE c£20,000 + car

Our client is engaged in very specialised engineering and the manufacture of high quality advanced products in a technically demanding field.

This is an excellent opportunity to join a growing company and gain first rate experience during an exciting phase in its development. Recently acquired by a major engineering group they are seeking a key individual to participate as a member of the senior management team in the expansion and direction of the company towards corporate goals.

Reporting directly to the Chief Executive, the Financial Controller will assume complete responsibility for the day to day financial management and administrative functions, and must possess the necessary commercial skills to offer a positive contribution to the strategic planning of the company.

The successful candidate will be a graduate qualified accountant of directorship potential who can demonstrate sound technical skills together with good industrial experience and the personality required to relate well in a production environment.

For further information write to Alyn Pearce ACA (Associate Director), quoting ref 87S/825FT at Daniels Bates Partnership Limited, Fountain Precinct, Leopold Street Wing, Sheffield S1 2GZ or telephone him on Sheffield (0742) 754015.

Interviews will be held locally.

Daniels Bates Partnership
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Leeds, Sheffield, Darlington, Hull, Manchester.

EXECUTIVE JOBS

YOU EARN OVER £25,000 PA AND ARE SEEKING A NEW TOP EXECUTIVE APPOINTMENT

In the accountancy or financial field Connaught's team of professionals, all of whom have had experience at managing director level, can help you.
Connaught's successful Executive Action Plan helps you find appointments quickly and discreetly, particularly in the area of unadvertised vacancies.

Contact us for an exploratory meeting without obligation:

If you are currently overseas, ask for our Executive Expat Service
32 Savile Row, London W1X 1AG - Tel: 01-734 3879

Connaught

Divisional Controller

Thames Valley — up to £30K + Bonus + Car

Our client is a growing £650 million plc with three main divisions and over 30 operating subsidiaries in the UK and overseas.

In developing the group reporting structure they now seek to appoint a Controller for one of the Divisions with a turnover of £250 million. This position reports functionally to the Group Finance Director but with a strong relationship to the Main Board Director responsible for the division.

You will be responsible for reviewing and analysing the financial information of the subsidiary companies within this division, in particular:

* Strategic plans
* Monthly results and board commentary
* Capital expenditure
* Working capital control
* Acquisition identification/recommendations
* Competitor analysis

The role is primarily one of advising the Main Board Director of not only how his division is performing but to identify potential weaknesses and exposures and recommend appropriate corrective action.

The appropriate candidate for this challenging and exciting role will be aged 27-35, and an ACA/ACMA. Operational experience, maturity, high interpersonal skills and a strong commercial awareness are essential qualities for this position. Experience of a substantial multisite retailing operation would be particularly relevant.

The company offers a very competitive package including a bonus, car, private medical scheme and if appropriate full relocation expenses.

If you meet the exacting requirements of this position please submit your curriculum vitae to Wayne Thomas, Executive Division, Michael Page Partnership, Kingsbury House, 6 Sheet Street, Windsor, Berkshire SL4 1BG.

Michael Page Partnership
International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham Manchester Leeds Glasgow & Worldwide
A member of Addison Consultancy Group PLC

Group Finance Director

North East — c£35,000 + Bonus + Car

Our client is a well established and highly profitable retail Motor Group with a turnover of £50m and a recent history of exceptional organic growth. The company is planning further acquisitions and an imminent Stock Exchange listing.

The position of Finance Director will carry total responsibility for the overall financial management of the group, with particular emphasis on preparing for and successfully achieving the flotation. In addition, the successful applicant will be expected to work very closely with the Managing Director in the areas of business development, acquisitions and liaison with the City.

Candidates, aged 32-45, should be qualified accountants, with a strong background in technical accounting and strategic analysis together with highly developed interpersonal skills and commercial awareness. Previous experience of a Stock Exchange flotation is preferable, though not essential. The salary is negotiable and will not be a limiting factor and full relocation facilities will be provided.

Interested applicants should write to Stephen J. Broadhurst quoting ref: L8366 at Michael Page Partnership, Leigh House, 28-32 St. Paul's Street, Leeds LS1 2PX Tel: 0532 450212.

Michael Page Partnership
International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham Manchester Leeds Glasgow & Worldwide
A member of Addison Consultancy Group PLC

Leading European Bank

Internal Audit Head

City — c.£30,000 + banking benefits

Our client is ranked among the world's top 100 banks and enjoys impressive annual growth. Established in mid 1970s, the London wholesale branch focuses on corporate and syndicated loans, Eurobonds and foreign exchange services.

The Internal Audit function is being upgraded in response to the Bank of England's proposed internal control regulations. The creative challenge is to review existing policies, procedures and systems, and to recommend future requirements. Working with an assistant the appointee will also conduct operational and financial audit in a sophisticated computer environment.

Candidates, preferably 30-40, should have a recognised accounting qualification and strong analytical and organisational skills, plus drive and independence. Two to four years bank audit experience is needed either within an international or a merchant bank, or – post qualification – in a Big Eight firm.

Prospects to progress into mainstream banking in London are excellent as is the remuneration package.

Please reply to Barbara Robertson, in strict confidence, with details of age, career and salary progression, education and qualifications, quoting reference 5036/FT, on both envelope and letter.

Deloitte Haskins+Sells
Management Consultancy Division
P.O. Box 198, Hillgate House, 26 Old Bailey, London EC4M 7PL.

Financial Controller

Madrid — Ptas 4-5M

Our client, a UK multinational company, leader in its field and operating worldwide, is looking for a Financial Controller for its Spanish subsidiary.

The subsidiary, which is the market leader in Spain, employs 72 people and has all the main functions of a manufacturing company, including sales, marketing, design and production.

Reporting to the Chief Excecutive of the subsidiary, the Financial Controller will be responsible for the Accounts Department, monthly reporting to the UK, and management of a small team including Data Processing.

Applicants, qualified accountants, should have previous experience of Anglo-American procedures and a thorough knowledge of English and Spanish. The Financial Controller will add strength to the management team and, in particular, form a useful bridge between the Group Accountants based in the UK and the Spanish subsidiary.

The attractive salary package will be negotiable and commensurate with age and experience.

Interested candidates should contact Jerôme Lancrenon in Paris on 010 331 40 70 00 36 at Michael Page International, 19 avenue George V, 75008 Paris, France. Please enclose a comprehensive curriculum vitae with your application, quoting reference 945JL.

Michael Page International
Specialists in Finance Recruitment
London Amsterdam Brussels New York Paris Sydney

Assistant Group Treasurer

Costain Group plc

£attractive+car+benefits — Central London

Best known for its international construction and civil engineering activities, Costain also has interests in mining, property development and house-building. Turnover last year was around £900m with post tax profits of over £60m.

The company has a highly developed and innovative treasury function, and currently seeks a No 2 to work closely with, and deputise for, the Group Treasurer. Aided by a small team, the Assistant Group Treasurer supervises investment of all surplus funds and a wide range of borrowing arrangements. He/she is also actively involved in currency exposure management, and assists with currency and interest rate operations using modern financial instruments. All systems are fully computerised.

Candidates should be in their mid-thirties and must possess an appropriate qualification. About five years' treasury experience in an international company is necessary, which must include a good knowledge of the documentary aspects of the work. In addition a good working knowledge of contractors/suppliers bonding requirements would be an advantage. The job will offer excellent prospects for a treasury specialist.

An attractive range of benefits is offered including negotiable salary, 2 litre car, pension scheme, life assurance, subsidised BUPA and Profit Share Scheme.

Please write – in strict confidence – with CV and current salary to Robin Fletcher, ref. B.23104, MSL Treasurers' File.

MSL International (UK) Ltd, 52 Grosvenor Gardens, London SW1W 0AW.

Offices in Europe the Americas, Australasia and Asia Pacific.

MSL International

Financial Director

Professional cum entrepreneur

£20,000 – £30,000

This is a ground floor opportunity in a newly formed holding company with pedigree and ambition based in rural Bucks. It demands a rare combination – an accountant who can keep the books, set up systems, organise an office but also spot business opportunities, investigate targets, assess risks, negotiate deals and share in planning and achieving the grand design.

Candidates, probably in their early 30s, must be Chartered Accountants – from industry, commerce or the profession – who are experienced both in the practical application of modern financial controls and in investigation and acquisition. They will have flair and enthusiasm backed by commitment and total integrity.

Initial salary negotiable from £20,000 to £30,000 depending on experience plus bonus and participation prospects. Benefits include car and health insurance.

Please send career details – in confidence – to A. D. Percival.

Ravenscroft & Partners
Search and Selection
20 Albert Square, Manchester M2 5PE

Accountancy Personnel

Placing Accountants First

FINANCE DIRECTOR

Cardiff — c£25,000 + Car + Possible Share Option

Our client is a Highly successful and rapidly expanding Insurance Group which has now become one of the largest UK retail brokers.

This exceptional growth record, achieved through a series of recent acquisitions, has created a challenging opportunity for a high calibre qualifed Accountant with personality, ambition and determination, to work closely with fellow directors, and assume full control of the group's finance function with a view to bringing the company to a listing within the next 2 years.

CHRISTOPHER JAMES GROUP
For further details, please contact: Accountancy Personnel, Summit House, 9-10 Windsor Place, Cardiff CF1 3BX Tel: 0222 222500

FINANCE MANAGER

CONFIDENTIAL

Sheffield — c.£22,000 + Car + Subsidised Mortgage

Our client is a significant component of a major financial services organisation. Due to re-organisation a vacancy has arisen for an energetic and committed accountant in their late twenties – early thirties.

The post will be responsible for the statutory accounting, expenditure monitoring, transfer pricing and purchase ledger activities of the organisation and will head a staff of ten.

Extensive experience in a large commercial or service organisation is a pre-requisite for this post.

For further details, please contact: Accountancy Personnel, Abacus House, 100 Norfolk Street, Sheffield S1 2JD Telephone: 0742 738775

PARTNERSHIP ACCOUNTANT • Legal Practice •

CONFIDENTIAL

Bristol — Not less than £20,000 + Car

This well-respected and progressive 17 Partner firm of solicitors enjoys a broad client base covering both the corporate and private areas.

The practice now wishes to recruit an experienced, qualified accountant, aged 30/45 years, with a strong personality, a diplomatic nature and possessing good communication skills.

The firm will look to the successful applicant to make a significant and positive contribution to the effective management and control of partnership.

The salary and benefits package is negotiable and will include a company car. It is envisaged that the post will be equivalent to partnership status.

For further details, please contact: Accountancy Personnel, 54 Baldwin Street, Bristol BS1 1QW Telephone: 0272 298911

PROJECT/AREA ACCOUNTANT

KIER

Africa — £Fully Negotiable

Kier International, a member of the Beazer Group, is a profitable construction company currently undertaking a variety of technically *interesting and demanding projects in some of the most attractive* African countries.

Several vacancies exist for qualified Accountants, preferably those with experience in the construction industry, aged under 35, who have the initiative and motivation to assume full responsibility for the accounting function of individual projects or territory locations.

The company offers a negotiable salary, a car, free air travel, free *accommodation and an attractive life style in the sun.*

For further details, please contact: Accountancy Personnel, Ashton House, 469 Silbury Boulevard, Milton Keynes MK9 2AH Telephone: 0908 661707

Daymarc

FINANCIAL DIRECTOR DESIGNATE — £25,000+car

This is an exciting opportunity for a high calibre accountant to join our small, young team of 18 people in Guildford, Surrey. We are a successful, expanding manufacturer of test systems for the power semiconductor industry.

You will be a qualified accountant, preferably in *your 30s* with your sights set high; you will be looking specifically for an opportunity providing growth and advancement beyond the entry level of responsibility.

*Your responsibilities will include financial reporting and analysis, budget*ing, strategic financial planning, computerisation, tax planning and asset management. You will operate as a key member of the executive team and will need to be fast, flexible and innovative. A manufacturing background is a must.

If this sounds like the opportunity you have been waiting for, contact Carol Davey on 0483 67218 or send CV to:

DAYMARC
Unit 3, The Pines, Broad Street, Guildford, Surrey

FINANCIAL CONTROLLER

Ipswich

Age: 27-35 — Up to £25,000 negotiable + car

A profitable international company with a turnover in excess of £5 million, seeks a Financial Controller who will report to the Chairman.

The Financial Controller will be responsible, with a staff of 5, for the entire accounting function, including improving management information, reducing stock levels and overheads and the further development of existing computerised systems.

Applicants must be qualified accountants and preferably have a degree. They must be commercially-minded and have wide accounting experience and be computer literate. The company is considering going to the USM in the medium term.

Salary is negotiable to £25,000 + car and there are other attractive fringe benefits. Appointment to the Board, based on performance, will be in about two or three years.

Please send a comprehensive career résumé including salary history and day-time telephone number, quoting ref: 2824 to W.L. Tait, Executive Selection Division.

Touche Ross
The Business Partners
Thavies Inn House, 3/4 Holborn Circus, London EC1N 2HB.
Telephone: 01 353 7361

BRIGHTON POLYTECHNIC

Accountant

Salary up to £17,151

The Polytechnic wishes to appoint a qualified accountant to provide management accounting information. We expect to expand our financial services as a result of proposed legislation which will confer corporate status on polytechnics, probably from April 1989.

This post offers a demanding role in a modern finance department and will provide an opportunity to contribute to the planned development of this changing institution.

Further details and application forms are available from the Personnel Department, Mithras House, Lewes Road, Moulsecoomb, Brighton BN2 4AT Telephone: Brighton (0273) 693655 Ext 2537

Closing date: 14 September, 1987. We are committed to equal opportunity.

Are you over 45 ?

—and maybe a little disillusioned ?

If you are a qualified accountant with a strong commercial background, preferably in a retail company or with a supplier to the retail trade, we may be able to offer you an escape from company politics and an opportunity to reap the rewards of your own efforts.

We are a small group of self-employed professionals (just 19 of us) carrying out a unique service for our clients, including almost all the country's leading retailers, reviewing for overpayments made in previous periods with fees based entirely on recoveries made. Amounts recovered are frequently very significant and, after seven years' experience, we rarely now find a review is unproductive. It is challenging and rewarding work, sometimes frustrating, often fun! Average gross fees earned last year were over £50,000.

We currently have a specific requirement in the S.E. London/Kent/Sussex area. If you live in this area and have the positive, lively, self-motivated approach necessary for this work, please send c.v. in confidence to Peter D. Brown, Lateral House, 61 Church Street, Hungerford, Berkshire RG17 0JH.

ACCOUNTANT

c.£20,000

Epson Corporation requires a qualified Accountant to join its European Office, and support the Managing Director in working with the accounts function of Epson's European-based subsidiaries.

The office is currently based in Wembley, but will probably be relocating near to the north-western arc of the M25 in late 1988.

Some overseas experience and a foreign language ability will be advantageous.

The benefits include a pension, life assurance, private health cover and 22 days' annual leave.

Please send relevant details in confidence to Mr Roy Whitehead, Human Resources Manager, Epson (UK) Limited, Dorland House, 388 High Road, Wembley, Middx HA9 6UH.

EPSON

Tulip Computers is a young, dynamic microcomputer manufacturer listed at the Amsterdam Stock Exchange.

At its purpose-built factory and headquarters in Holland, Tulip Computers designs, develops and builds a range of compatible microcomputers (PC, AT and 386) that have established a dominant market share in the Benelux countries.

Subsidiary companies in Belgium, France and West Germany have enabled Tulip Computers to expand sales rapidly throughout Europe.

Part of this exciting programme of growth is the creation of Tulip Computers UK plc which is now looking for:

FINANCIAL/CREDIT CONTROLLER

The successful applicant will be able to demonstrate experience in all accounting disciplines up to the preparation of full accounts. You will have a recognised accounting qualification and understand the function and use of computerised accounting systems.

Experience in credit control and cash flow forecasting will be an essential requirement.

The successful candidate can expect an excellent salary as part of an outstanding benefits package at Tulip Computers. The post is based at Crawley, Sussex.

Please write in strict confidence, enclosing a detailed CV and recently taken passport photograph, to: Ian Davidson, Tulip Computers UK plc, PO Box 81, LONDON SE26 4LY.

Tulip® computers

BMI

FINANCIAL MANAGEMENT

TAX AND AUDIT

BMI requires Chartered Accountants with tax experience to work as assistants to the Directors to carry out financial management work.

The candidates should demonstrate professional maturity, confidence, initiative and commercial awareness on an entrepreneurial level.

The candidates will control and expand their specific areas of operation which may include corporate and financial consultancy, investigations, venture capital funding, taxation and audit work for a chartered accountancy practice.

BMI is a fast expanding financial management group with offices in London and Paris, providing part-time financial director services, venture capital, commercial loans, mortgages, and investment planning.

There is an opportunity for career development to Director level for the right candidate.

Excellent salary plus benefits.

Send full C.V. in complete confidence to:

BMI (Holdings Ltd, 49 Old Bond Street, London W1X 3AF

FINANCE DIRECTOR

PRS is a rapidly growing business consultancy specialising in strategic planning, database services and business publications. PRS is appointing a Finance Director to assist the company join the Unlisted Securities Market during 1988.

The successful applicant will be c. 30 years of age, with no less than three years' demanding financial accountancy experience in a fast-moving international company. Considerable computer-based accountancy and operating experience is required. PRS is looking for a well-rounded person with administrative experience. A preferred applicant will be a Chartered Accountant and may possess a good MBA.

A salary of c. £30,000 is offered plus private health scheme, pension and company car.

Applications can be made in confidence to:
John Martin
Managing Director

PRS CONSULTANCY GROUP PLC
44-48 Dover Street, London W1X 3RF

ACCOUNTANCY APPOINTMENTS ADVERTISING

£43 per single column centimetre.
Premium positions will be charged £52 per single column centimetre.

For further information call:
01-248 8000.

Deidre Venables
Ext 4177

Paul Maraviglia
Ext 4676

Elizabeth Rowan
Ext 3456

PLANNING ACCOUNTANT

c.£19,000 + Car + Staff Mortgage

The Woolwich, with assets approaching £9,000 million and over 400 branches, is one of the UK's leading Building Societies. In addition to our traditional Investment and mortgage business we have recently made a successful entry into a number of new areas including Insurance Services, Consumer Finance and Housing Development.

As a result, we now require a Planning Accountant, based at our Chief Office in Woolwich, to act as deputy to the Society's Management Accountant. You will assist in all aspects of the day to day running of the management accounting function and be part of a small, highly motivated, professional team.

Specific responsibilities will include financial information systems development, Capital Adequacy planning and assisting in the development of product and customer profitability systems.

You must be a qualified accountant with some post qualifying experience within a large organisation including financial modelling systems work, together with financial reporting to tight deadlines. You will need to be able to show enthusiasm and initiative together with a high degree of self motivation. Some supervisory experience would be helpful.

We can offer a competitive salary which is regularly reviewed, and a range of benefits including an immediate subsidised mortgage, Society car, 5 weeks holiday and excellent pension scheme.

Write now, in confidence, with brief details of your age, education, experience/achievements to date to Simon Morgan, Senior Personnel Officer, Woolwich Equitable Building Society, 30 Erith Road, Bexleyheath, Kent DA7 6BP.

We are an equal opportunities employer.

WOOLWICH
EQUITABLE BUILDING SOCIETY

Financial Director

for a small dynamic manufacturing company
c£25,000+bonus+car North West

Our client is one of the most exciting technically innovative companies in the volume manufacture of engineered control mechanisms. Employing over 200 and with a highly profitable turnover of £5 million the company is utilising its design and development expertise to grow rapidly in the UK and internationally, both organically and by acquisition.

Due to promotion they are seeking a new Financial Director to join their young senior management team. The key task is to ensure financial and management accounting control of the expanding facilities and rapid company growth via a small support group and computerised systems. This influential role requires total business involvement and will embrace Company Secretarial and Acquisition responsibilities.

Candidates aged over 30 will be qualified accountants with relevant senior management experience in the manufacturing industry.

The reward package is as indicated plus other significant financial benefits, including relocation assistance where appropriate.

Please write with full career details, including salary – in confidence – to David Mather, ref. B.31010.

MSL International (UK) Ltd,
Sovereign House, 12-18 Queen Street, Manchester M2 5HS.

Offices in Europe, the Americas, Australasia and Asia Pacific.

MSL International

Financial Controller

Up to £25,000

+ fully expensed company car and share option

Excellence in its field distinguishes this high tech company in the Thames Valley and indicates the calibre of accountant sought for this premium financial role.

Control of all financial accounting within the organisation will involve an unusually high level of responsibility, particularly as the company is now in an exciting phase of expansion and is soon to become a plc.

This demanding position calls for sound technical competence and an ability to work over several disciplines while maintaining efficient communication at all levels. Skills developed over 5-7 years will include financial management in a commercial or industrial environment. You will be a fully qualified ACCA/ACMA, and a degree would be an advantage.

If you can meet our clients exacting standards, you'll certainly be looking for outstanding rewards, and the excellent salary package, combined with the company's environment and future prospects will undoubtedly match your expectations.

Write with full career and salary details to:
Annie Stamp, Juniper Woolf and Partners Ltd., 22 New Concordia Wharf, Mill Street, London SE1 2BB. Please quote ref C214.

JUNIPER

RECRUITMENT ADVERTISING · SEARCH & SELECTION

Controller of Finance

High level financial management

The Forestry Commission is the national forestry authority in Great Britain and is responsible to the Minister of Agriculture, Fisheries and Food in England and to the Secretaries of State for Scotland and Wales. The Commission helps to shape government policy for all the country's forests and promotes the interests of forestry in general. The Commission also manages as a commercial enterprise, a forest estate of over a million hectares, used principally for timber production.

The Controller of Finance will provide professional advice on all financial matters, and assist in the formulation of the Forestry Commission's financial policies. The Controller is also responsible for the Internal Audit and Purchasing Branches.

You must be a Chartered, Certified, Cost and Management or Public Finance Accountant with the ability to lead a team of accounts staff and to make effective representations to the Executive Board, the Board of Commissioners and the Treasury. Experience in the application of computerised accounting and management information systems is highly desirable.

Salary £24,765-£28,215.

For further details and an application form (to be returned by 23 September 1987) write to Civil Service Commission, Alencon Link, Basingstoke, Hants RG21 1JB, or telephone Basingstoke (0256) 468551 (answering service operates outside office hours). Please quote ref: G/7328.

An equal opportunity employer

Forestry Commission

DIVISIONAL CONTROLLER

HARPENDEN

PACKAGE c£30,000+EXECUTIVE CAR

Our client, is a major division of a flourishing £1 billion+turnover BRITISH QUOTED GROUP. Divisional business has a firm foundation in the production of specialist filters and machinery, and from this base they have generated rapid diversification into plastics and packaging, instrumentation and electronics. This has been achieved by the expansion of existing businesses coupled with an ongoing package of acquisitions. This profitable division's worldwide operations produce turnover of around £150 million from plants in Europe, Asia, Australia and South America.

Reporting to the Financial Director, major duties and responsibilities will include: the monthly management information package, reporting to the Board on variances from plan, monitoring currency exchange rates, financial analysis in the areas of acquisitions and capital expenditure, ongoing systems development and overall financial control. In addition the Divisional Controller will have access to sophisticated financial modelling techniques and will be expected to make an immediate contribution towards the acquisition programme and the operating of subsidiaries, particularly in Europe. The position, which arises as a result of promotion, is at the head of a department of six.

The successful candidate will be a graduate Chartered Accountant, aged 28-36, who has trained with a "BIG EIGHT" firm followed by post qualification experience in industry or commerce, possibly at the head office of a "BLUE CHIP" company. Career prospects, including a potential Financial Directorship, are excellent. The package comprises a basic salary of c£24,000 plus a profit related bonus currently running at 25%. This high visibility role will contribute significantly to company growth.

For further details contact: **GERRY PEARSON 01-387 8118.**

SCOPE EXECUTIVE

(RECRUITMENT AND CONSULTANCY) LTD.,
EUSTON HOUSE,
81-103 EUSTON STREET,
LONDON NW1 2ET
01-387 8118

YOUNG FINANCE MANAGER

Age 26/32 East Midlands £18/20,000 package + car

Our client is a highly profitable and expanding part (T/O approaching £60m) of a major British PLC.

The business is fast moving, complex and exciting and, with a capital development programme already underway, the expansion envisaged will be significant. By manufacturing its wide product range from several locations in the UK and then marketing and selling into both the Industrial and Retail marketplace, it has a vertical integration ensuring efficiency and economies of scale.

A dynamic young qualified accountant with strong communication and technical skills is now required to join the Division at this important stage of its development.

Reporting to the Financial Controller, your role will be to control a sizeable accounts department through 2/3 Management Accountants, interpreting and reporting on management information. Your wide ranging brief will also encompass Budgets, Forecasts, and Capital Investment appraisal, as well as involvement in the ongoing computer development programme. Using your excellent communication skills and commercial acumen, you will be expected to advise and interpret the information for the production and factory managers, as well as liaising closely with the Sales and Marketing Managers.

This is an excellent move for a young ambitious qualified accountant who has already achieved success within a manufacturing environment. The position will demand high levels of self motivation and man-management skills as well as an ability to learn quickly and contribute effectively.

The location is the East Midlands and, as well as in beautiful countryside, has the advantage of being very close to large conurbations.

The prospects are outstanding for the right candidate. Conditions of employment are equally good. Relocation expenses will be paid where necessary.

Please contact Lawrence Barnett or Sharon Rowland at our Manchester office quoting ref. B132.

Trident House,
31-33 Dale Street,
Liverpool L2 2HF
Tel: 051-236 9373

ASB
ASB RECRUITMENT LTD.

Eagle Buildings,
64 Cross Street,
Manchester M2 4JQ
Tel: 061-834 0618

PROJECTS ACCOUNTANT

ENGINEERING

c.£25,000 + car

B Elliott is an expansion minded international manufacturing technology, systems and specialist engineering group, with a new, young and highly entrepreneurial senior management team – sales are £60m, with operations in five countries.

As the Company positions itself for the next decade and beyond, the establishment of the very latest financial control systems becomes vital in an increasingly competitive world. In addition, the Company has set itself on an acquisitions trail which will require considerable financial analysis and subsequent absorption of new acquisitions into the group financial systems.

Accordingly, the Company seeks an aggressive young accountant, aged around 30, and qualified ACA, ACCA or ACMA to report directly to the Finance Director. He or she must be familiar with all aspects of financial management in a manufacturing environment and have the maturity and leadership qualities to take up a senior financial appointment within one-two years. The position is based at the Group's Headquarters in West London, however, subsequent opportunities are likely to be outside London.

If this sounds like the right sort of entry point for you into a changing company, then please 'phone or write with full details to the Consultant handling this position: P. Robert, 5th Floor, 158 Victoria Street, London SW1E 5LB. Tel: 01-630 8573.

B Elliott plc

National Technical & Training Director

c£35,000

Our client is a National firm of Chartered Accountants, looking to appoint a senior level person to strengthen and co-ordinate its national technical and training policy. This appointment will be at salaried partner level, reporting directly to the national managing partner.

The successful candidate will need to show, in addition to strong personal and communicative skills, a practical and commercial approach to the implementation and monitoring of training and technical standards.

Candidates should write, in strictest confidence, to Mervyn Dinnen, Managing Director, or call on 01-638 1711.

MERVYN DINNEN ASSOCIATES

48 MOORGATE, LONDON EC2R 6EL

TELEPHONE 01-638 1711

MANAGEMENT: Marketing and Advertising

Crossing the cultural divide

Opening eyes to an unexploited market

Andrew Whitley on an opportunistic Israeli advertising agency

"DO ARAB homes have refrigerators?" enquired a big Israeli food processing manufacturer of Mussa Hassadia. Hassadia, one of an Arab family of 11 children from a poor village near Haifa with an MBA from Tel Aviv University, cites this as an example of the ignorance Israeli manufacturers have of the captive billion dollar market right on their doorstep.

Until Hassadia, aged 31, set up Al Bustani, his advertising agency, two and a half years ago, few Israeli companies had any idea how to sell to the 1.5m potential consumers in the occupied Arab territories of the West Bank, the Gaza Strip and West Jerusalem. Yet last year, exports to that market grew by nearly 27 per cent over 1985 and the prospects for continuing growth are good. There are no customs barriers of any sort, no transport difficulties and no payment problems. The customers are citizens of Jordan, but they pay in Israeli shekels.

According to Hassadia, no tame stooge for the occupiers, not only are the Palestinians receptive to Israeli goods, they actually prize them for their quality. "When asked point-blank an Arab will reply that he does not like to buy Israeli," he says. "But in practice Arab shoppers show no such hesitation."

For example, the best-selling Israeli-made food and drink products in the West Bank and Gaza are usually labelled boldly in English and Hebrew (in Arabic also, but only in small print). Recognising a good sales strategy when he sees one, the owner of one Arab company from Hebron in the West Bank selling canned Instant Falafel Mix for local consumption has followed suit.

Civil rights organisations criticise the Israeli manufacturers' practices as examples of their economic colonialism. Hassadia, owner of the first advertising agency in Israel oriented towards the local Arab market, insists that his people prefer it this way.

Remarkably, despite 20 years of often brutal occupation, there has been no consumer backlash against Israeli goods, no boycott of the enemy's products. Why so? "We Arabs have no choice," is the simple retort.

Then, more forcefully: "If someone wants to eat he does not look to see where it is made."

Even so, few attempts were made to attract potential customers to the products. Advertising slogans promoting Israeli goods to the occupied territories, or even to the 750,000 Israeli Arabs who live within the country's pre-1967 boundaries, used to be straight translations of the Hebrew. Invariably this was inappropriate or insensitive, not to mention ineffective; Hassadia told Arieli, the Israeli agency for which he worked in 1985, that he knew better than it did how to sell to the Arabs.

Fortunately, Arieli agreed with him and helped him set up Al Bustani (named after the author of the standard Arabic dictionary) by chipping in 50 per cent of the capital. Arieli also gave the agency, which is housed in a third floor apartment in Tel Aviv's fashionable Rothschild boulevard, access to its own clients, which include some of the biggest names in Israeli industry. It was hard going in the early days. "At first we had to make personal visits to everyone to convince them to use us," recalls the lanky Arab. A considerable asset was the market research section run by another former Arieli colleague, Leila Ayoub. A psychology graduate from Nazareth, Ayoub, 27, prepared a booklet about Arab society to distribute to potential clients.

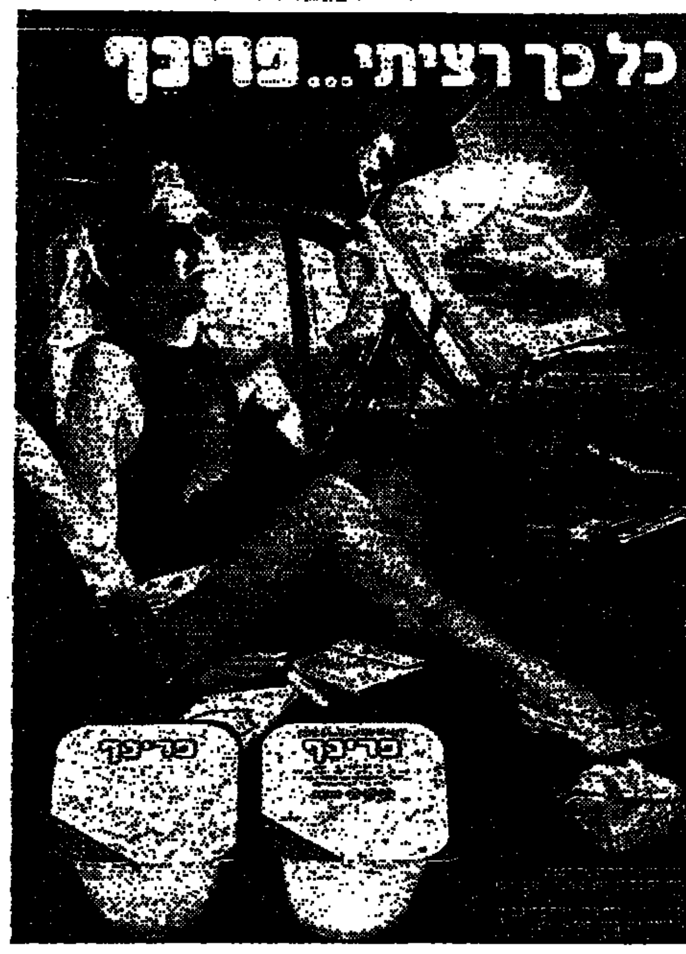
Mussa Hassadia (left) has recognised the potential purchasing power of Arabs in the Israeli occupied territories. Sensitive to cultural differences, his advertisement (right) for Jewish consumption has as its caption "I wanted it so much", while the model in the Arab version wears a longer skirt and says "That's what I want"

Working simultaneously in Hebrew and Arabic, rubbing shoulders by day with the modern Israeli business world and by night with traditional Arab society, the team at Al Bustani is part of a small but growing breed of Israeli Arabs demanding their share of the economic rewards which Israel can sometimes offer to those with enterprise.

In just 30 months the agency has built up a turnover of $1.5m; it has taken on the Arabic language accounts of such household names in Israel as Osem (processed foods), TNUVA (dairy products), Dubek (the state-owned tobacco and cigarettes company) and Polgat (textiles).

The two co-founders, Hassadia and Ayoub, explain that a huge cultural chasm between the Jewish and Arab societies has to be bridged before an advertisement can be deemed to be successful. Blatant sex appeal is out; romance, moon and stars on the "Thousand and One Nights" theme are in. Sophistication and jet-set styles appeal, too, in a society where the video recorder is swiftly transforming social behaviour.

They explain that the Arab consumer (the pitch is often aimed at women, the oft-neglected half of society) is slow to be convinced. A campaign in



the Arabic press and on the radio might involve three months of hard sell followed by another three months of weekly follow-up.

By comparison, the same results could be obtained in half the time in Israel. The only consolation is that the cost of getting the message over in Arabic - between $70,000 and US$100,000 is a normal campaign budget - is considerably less than in Hebrew.

Advertising on state-run Israeli Television, whether in Hebrew or Arabic, is severely restricted. Nor are outdoor billboards common. What is left, therefore, is the Arabic press (particularly weekly magazines), radios and point-of-sale material.

Unlike their Jewish counterparts, Arab consumers are apparently not as attracted by discount offers or price promotions as they are by the chance to win a prize. A campaign to promote sales of locally grown avocados, for example, was a great hit; a "Queen of the Avocados" competition offered prizes of a week in Egypt, a glamorous holiday destination.

Famous personalities, such as Arab football stars, are always a good draw. But, according to Al Bustani, a sure-fire success with the Palestinian housewife is the tried and trusted formula of good health and winsome children.

Despite its youth, Al Bustani today commands a lion's share of the Arab market inside the enlarged borders controlled by the Israelis. It has already made some notable achievements in altering long-established tastes and customs.

One was the introduction of the orthopaedic mattress on behalf of an Israeli company called Aminah. It was a tough job to convince people who had always luxuriated in soft bedding to change their habits. But change they did - on the strength of a campaign oriented towards their well-being. And the sales figures are there to prove it.

Dramatic changes have also taken place in Palestinian eating habits lately, thanks to modern advertising and promotion techniques. In place of traditional Arab sheep and goats' milk cheeses, TNUVA, a large Israeli co-operative, now sells a considerable array of its European-style cheeses to customers in the West Bank.

More significant has been the recent switch by many Palestinians from their long-held preference for powdered milk - a taste still being reinforced through easily watched Jordanian and Syrian TV commercials - to Israeli-made long life milk in cartons. "They feel it has more fat content," laughs Hassadia, "but it hasn't. It usually has less."

Motor racing

Wheels within wheels

Feona McEwan reports on beneficial avenues for corporate sponsorship

THIS WEEKEND, as the Italian Grand Prix in Monza makes Formula One motor racing once again a focus of the sporting world, fans will tune in to the titanic tussle between Nigel Mansell, the champion Britain nearly had and sorely wants, and his talented team-mate and arch-rival, the Brazilian, Nelson Piquet.

Meanwhile, backstage in the paddock, a drama of a different kind will unfold as sponsors - without which the event could not happen - get down to the serious business of winning contracts and influencing clients.

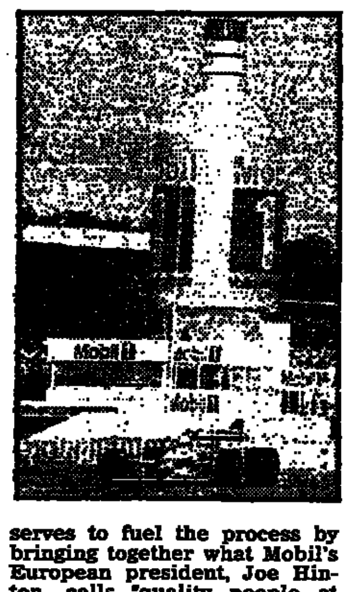
Superficially, this takes the form of pouring drinks and fixing pit-passes for a gathering of hand-picked VIP guests. But at the cost of around $500 a head, all told, and with up to 250 heads a time, a sponsor's hospitality is every bit as single-minded as the motives of the drivers on the track.

Why, then, do companies willingly hand over lakes of money for the privilege of seeing their corporate logos hurtle round a circuit at blurring speed?

One set of sponsors which believes it can count the benefits, by dint of years of practice, are the names on the pole-hogging Canon Williams Honda cars, whose afore-mentioned drivers have been on the leading edge of the grid all season.

After five years of warm-up, ICI fibres division (which advertises its Tactel mark on the CWH cars) is under no illusions about its aims as a sponsor. "At the end of the day the idea is to get signatures on ICI deals rather than on the next company's," says a company spokesman.

Sometimes entertaining can lead to deals being struck directly. It was the Detroit Grand Prix, for example, which gave ICI its stepping-stone into the American automotive market. So impressed was Collier and Aikman, a major supplier of fabrics for automotive coverings, at ICI's trackside promotion that it promptly switched 50 per cent of its business to ICI. Similarly, at the Spa grand prix in Belgium, when Canon launched a new fax machine to several invited dealers it collected 55 orders on the spot. Now Canon is to repeat the exercise with the launch of a new camera, the Eos. Instant payback is not so common, however. Most deals of the level at which most sponsors are talking tend to operate on the slow burn principle. The event



serves to fuel the process by bringing together what Mobil's European president, Joe Hinton, calls "quality people at quality events".

This year for the first time Mobil sponsored the whole of the Hockenheim grand prix.

With 16 grand prix events sprinkled evenly, both geographically and in time, across nine months of the year, sponsors have attractions tailor-made for entertaining. Even the most unenthusiastic guest can normally be inveigled into accepting an invitation. ICI finds that guests who would normally be unwilling are tempted by the opportunity of spending more than a few minutes with a choice customer.

Business entertainment (as distinct from "knees-up" hospitality), is, however, just one fraction of the sponsorship equation. On the wider canvas, Formula One offers worldwide visibility that few sports can rival, which is what ultimately persuades sponsors to part with their money. (It is big money too - a Formula One team costs around £10m a year to run.)

Despite the fact that traditional sponsors like the tobacco companies are being eased out by throttling legislation, replacement sponsors are gradually emerging. Drinks companies, such as Fosters and Budweiser are known to be keen, as is Apple computers, and finance houses like Merrill Lynch are showing interest.

Calculations of audiences watching live and recorded races on television reach up to about 78m spread across at least 49 countries. Evaluating effectiveness of sports sponsorship is no science but Canon, ICI and Mobil are in no doubt that it works for them. Mobil spends around $3m a year backing grand prix and reports that sales of its synthetic lubricant have risen in Europe by 50 per cent in the first half of 1987. Though racing is only one element in Mobil's promotional mix, "it has made a tremendous contribution," says Hinton.

ICI won't talk finance but admits: "The TV exposure makes it tremendously cost efficient. No one would believe the figures," says David Payne, marketing and sports promotions manager of the fibres division.

Canon will only say that it spends 3 per cent of its European promotional budget on sponsorship in general, but it estimates that in one race, the British Grand Prix, where its cars came first and second, it earned 40 minutes of TV exposure which amounts to half a million pounds of airtime. Each sponsor has its own reasons for being there.

For Mobil, Formula One racing offers "the severest lab in the world. And if it's good enough for high performance racing machines, it's certainly got to be great for the standard sedan the average family uses," says Hinton.

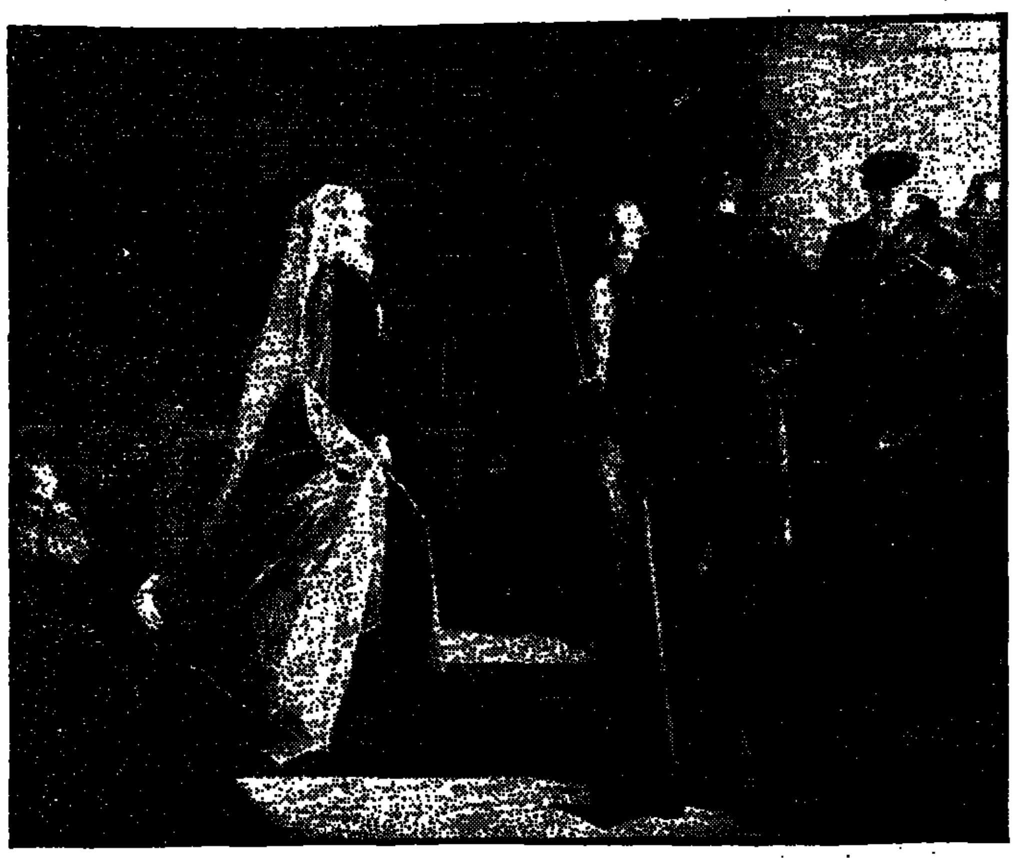
The sponsorship is also part of a new pan-European approach which Mobil admits to adopting. In April it launched an advertising campaign across Europe.

Canon's David Warren admits to having been deeply sceptical about motor sport at first. "I didn't think the money was well spent. But I'm a convert." With expanding markets worldwide, Canon was looking for ways of communicating its products internationally in the tough fields of photocopiers, cameras and typewriters.

"Global advertising is a dream, but we felt sports sponsorship was one of the few international mediums that could work. After all, sex and sport are two favourite topics of conversation the world over." And he's only half joking. "Formula One gets across the image of being fast, dynamic, hi-tech and international."

Contrary to the belief that sponsors must love their chosen sponsored activity, Warren remains personally unmoved by the racing itself. "I hate Formula One; I wouldn't pay to come," he laughs.

THE ARTS



"The Execution of Mary, Queen of Scots," by Robert Herdman, 1867, Scottish National Portrait Gallery

Edinburgh exhibitions/William Packer

Images of a tragic queen

Over many years the so-called Festival Exhibitions have been more with the Edinburgh Festival than of it. By established usage they open before it, sometimes long before, and usually continue long after. This perhaps is not the moment to point out the opportunism of the festival committee for appropriating for itself what would be there anyway, but the major current exhibitions of the National Galleries of Scotland do as much by simple demonstration. Although the festival proper may now be over, there is still plenty left on the walls to see, as always.

In the few years since he took up his appointment, the director of the Galleries, Mr Timothy Clifford, has made clear his commitment, in principle at least, to their maintaining a more prominent and substantial presence during festivals. This is to be welcomed. but even so, this year again his flagship, as it were, put out to sea in early July and his whole fleet of special exhibitions sails on into October. And coincidence apart, it is hard to see what festive or indeed mutual connection there is.

In the short term none of this matters very much, for one would rather have some good exhibitions in festival time than none. But the harder truth is that no one is ever drawn compulsively to the festival by its visual art.

Whatever the merits of each particular exercise, each institution has been doing exactly what it should and would be doing in its field. Keeping for now only to the several National Galleries, in *The Vigorous Imagination* (until October 25) the Scottish National Gallery of Modern Art addresses the work of some of the younger Scottish figurative painters. Such artists are hardly phenomenal in Scotland, but this is a timely exercise nevertheless, which by its very partiality and incompleteness might even provoke the fuller definition it immediately suggests.

As for the National Gallery of Scotland, it has borrowed 125 French old master drawings from the Nationalmuseum in Stockholm. They are shown in the newly redecorated upper galleries, and downstairs, in its own special drawings gallery, it has mounted a smaller complementary selection from its own collections (both until October 11). And in *The Queen's Image: The Queen's World* (until October 4), the Scottish National Portrait Gallery celebrates the life and times of Mary, Queen of Scots.

This year marks the quartercentenary of Mary Stuart's brave and hideous death in the hall of Fotheringhay Castle, sent to the block one February morning by her fearful, vacillating, self-deceiving cousin, Elizabeth Tudor. She was only 44, had been Queen of Scots in her own right for all but a few days of her life, and briefly Queen of France by marriage.

The death of her mother the Regent, Mary of Guise, followed so soon by her early widowhood, brought her back to Scotland in 1561, whereupon she ruled in fact for a few disastrous years. Her Catholicism, her policies and her scandalous and violent marriages to Darnley and Bothwell all conspired to alienate her austere subjects, who drove her out. After defeat by her nobles, imprisonment and escape, she sought safety in the hands of her cousin in England, which was perhaps her cruellest misjudgment. From the summer of 1568 she was always a prisoner of state, and one which the politics of the protestant succession rendered ever more sinister and dangerous.

Though her final savagery secured for Elizabeth, if not the person, at least the Protestant cause she had worked to defend, it is one of the nicest ironies of our history that it should be from the great enemy, Mary Stuart, through her grand-daughter Elizabeth of Bohemia, the Winter Queen and thus to the Electors of Hanover, that our present Queen and Defender of the Faith finds her direct descent.

Mary was evidently a most beautiful and remarkable woman, who enchanted the French court in her youth and worked her personal magic, though so often to questionable advantage, to the end. Certainly the compliments paid her throughout her life cut through the conventions of courtly devotion, while the sheer virulence of the abuse she suffered speaks directly of the power of her personality. She remains a figure of controversy today, complex and contradictory, though the bitterness of her own time has long fallen away. And the circumstances of her tragedy, of her rise and fall, have overlaid the actual issues with a rich, romantic accretion of myth and legend.

The premise of *The Queen's Image* is the simple contrast between Mary as she really was in the eyes of contemporary artists and the character she became in the imagination of generations of history painters. It is indeed a fascinating and even moving show, and not least for the real woman it suggests, though teasingly so hard to fix for certain, in the Hilliard miniature and the exquisite portrait drawings by Francois Clouet. And there are the history paintings that say so much, not of their subject as of the artist himself and his own view of history set in his own time. Wilkie's study for the *Escape from Loch Leven* and Herdman's *Farewell to France* and *Execution* are simply the most memorable examples of fine romantic sentiment.

Upstairs *The Queen's World* supplies something of the 16th-century context to all the action below, through furniture, jewellery and general documentary. But a denser documentary study of the whole House of Stuart, *Princes, Poets and Patrons* (unfortunately only until today) supplies the fuller context quite splendidly, from Robert II to Cardinal Henry, the last Pretender, at the National Library of Scotland.

Its centrepiece is the letter Mary wrote to her brother-in-law, Henri III of France, within hours of her death. "Today (Feb 8, 1587), after dining, I was advised of my sentence: I am to be executed like a criminal at eight in the morning . . . you will learn the truth, and how, thanks be to God, I scorn death and vow that I meet it innocent of any crime, even if I were their subject. . . ."

But perhaps her better epitaph is not her own but that given her by an Englishman, that high Tory and rogue Jacobite, Dr Johnson, in his scornful rebuke to Boswell. "Sir, never talk of your independency, who could let your queen remain 20 years in captivity and then be put to death without event a pretence of justice, without your ever attempting to rescue her; and such a queen, too — as every man of any gallantry of spirit would have sacrificed his life for."

Salome/Coliseum

David Murray

There are many ways of playing the *Salome* of Wilde and Richard Strauss; a *Carry On Salome* was bound to come sooner or later, and with Joachim Herz's revival of his 1975 production it is just a step away. There are hordes of painted supernumeraries, not all of them sexually indeterminate—in the topless stakes the English National Opera is drawing nipple-to-nipple with Sunday Sport—but all wildly distracting. Not, I think, Wildely: high camp shouldn't slip so lazily into low.

New opera-goers should stop here, undiscouraged, for this *Salome* has enough strengths to leave a considerable impression. It moves purposefully, is very well sung, captures the "decadent" violence of the piece in many places. The best elements of the performance fail, however, to combine—they go off in different directions, and the net effect is of an externalised charade with some striking individual turns. Admirers of the opera will have hoped for more.

The central exhibit is Josephine Barstow's cleverly daring Salome. In the Dance of the Seven Veils, which Herz makes an elaborate, prerehearsed production number, she strips sensationally (and with well-founded pride) to a gilded G-string; in the ensuing final monologue over John the Baptist's severed head she does nervy adolescent pathology. These things belong in different productions. The special Barstow insights were further obscured on Tuesday by Mark Elder's domineering orchestra, idiomatic enough but very hard on the words—there is no good reason why the English text should penetrate less well than the German version Strauss set (a translation of what is perhaps Lord Alfred Douglas's Englishing of Wilde's original French).

All the other leading singers are new. Stuart Kale's Herod is an affable, expansive uncle-figure who shapes his musical line with style; no perverse tremor indicates why he should be surrounded by a court of lubricious grotesques. Felicity Palmer's Herodias, viciously incisive, is denied its deserved dramatic weight by her clown-harridan make-up. *Norman* Bailey's robust Jokanaan loses most of his words to the orchestra, and is opaquely aloof to whatever Salome's fantasies about his may be. There is a properly lyrical new Narraboth from Edmund Barham; Annemarie Sand looks good as the Page, though her interestingly rich contralto seems the wrong voice for the lad.

The remaining performance may well find ways of gelling better, given components of such promising calibre. But it would help if Herz would turn down the lights: his insistence (in the programme-book) that all the action is "public" has no validity once Jokanaan is beheaded, and the leering prominence of the extras is a sleazy nuisance at the dénouement. Nor does this Salome's self-willed demise—apparently from frustration — help; Strauss's music insists too unambiguously that the monstrous nymphet is *pounded* to death by Herod's guards. That is of course deplorably sexist—but it's what the opera says.

Alastair Muir

Josephine Barstow

The magic of La Malibran

MARIA MALIBRAN: DIVA OF THE ROMANTIC AGE
by April Fitzlyon, Souvenir Press, 330 pages, £18.95

The author of biographies of Mozart's librettist da Ponte and of Malibran's younger sister Pauline Viardot, has delved fruitfully for her third book into *family* archives and unpublished material. The strange story, familiar in outline, is now fresh in many details. Maria Felicia Garcia was a singer of genius in a richly endowed age. Rossini described her as "unique." Praise for a singer from that quarter carries even more weight than the plaudits of Lamartime, Musset or Hugo.

In the Paris of the July revolution Malibran became an embodiment of the Romantic ideal before casting her spell on Italy (Milan above all) and London. In a few years it was all over. She died miserably in Manchester in 1836, aged 28, mainly it seems as a result of a riding accident in London. She collapsed at a *celebrity concert*, singing a duet with a rival, muttering "I'll wipe the floor with her" (such bitchiness was happily most uncharacteristic). With her headstrong temperament and compulsive energy Malibran would probably have sung her voice to tatters and burnt herself out in a few more years.

She was born in Paris to the tenor Manuel Garcia, the fruit of a bigamous marriage which brought him also the much younger Pauline and a son Manuel Patricio, who became a singing teacher, invented the laryngoscope and died in London, a centenarian. Manuel Garcia's origins were mysterious. He liked to be thought a gypsy. Others have suggested Jewish or Moorish stock.

Gypsy or not, Garcia was an illustrious singer and prolific composer. He was also a swarthy bully who, at whatever price, gave his children splendid voice training. Maria was terrified and fascinated by him. His feelings for her may well have been incestuous. In New York she married a middle-aged French businessman, Eugène Malibran. The match, as Mrs Fitzlyon makes clear, was not forced on her by her father but was a means of escaping from him.

Eugène Malibran ran up debts. She left him and returned to Paris where she fell in love with an eminent but dreary Belgian violinist, Charles de Beriot. They lived together as man and wife. There were inconvenient pregnancies and at least one surviving son. It was some years before her marriage to Eugène (a weak, uninteresting man but not a monster) could be annulled.

Maria was an inspiration to the young Romantics flocking to the Théâtre Italien in Paris (a partial exception was the coolheaded Delacroix, who thought her acting went too far). She became a cult figure not only to the *avant-garde* but to the general public well beyond France. To a surprising extent she has remained one. Flowers, Mrs Fitzlyon tells us, *are still laid on her grave* near Brussels.

All this tends to obscure Malibran's exceptional quality as a singer. She was a link between the first wave of Parisian operatic Romanticism (Rossini) and the second (Bellini, to whose music she was perfectly attuned, and Donizetti). Her fame in certain roles and the public's universal desire to see them limited her repertory. As Rossini's Desdemona (her tigerish, sinister father's occasional appearances with her as Otello lent an additional thrill), as Amina in *La sonnambula*, as Norma and Maria Stuarda she fulfilled romantic dreams.

Unlike her predecessor Pasta, Malibran could sing comic as well as tragic parts. In real life she was a good linguist with a ready wit. She rode, drew designed costumes, wrote (and published) songs. Her letters displayed "unparalleled originality of expression." Her sister Pauline was equally versatile. What, indeed, were father Garcia's origins?

About the music Malibran sang Mrs Fitzlyon is more diligent than perceptive. It Really isn't good enough to say that *Otello* "is the most romantic of Rossini's operas." The constant reference to "La" Malibran is an irritation —of course it distinguishes her from her first husband by whose name she was, and is generally known, but so much La-la-la-ing inevitably suggests the twaddle which the sensational subject invited but which Mrs Fitzlyon adroitly sidesteps. That, however, like the repellent production-style of the book can be borne for the sake of the star-studded, super-melodramatic real life scenario which the author so ably unrolls.

Ronald Crichton

In the Image of the Beast

Claire Armitstead

Among the first of the Edinburgh fringe transfers to make its way south is the latest from Red Shift, a dynamic young company born of a director/designer partnership and doing something rather good with George Eliot's *Mill on the Floss*. It's all change for *In the Image of the Beast* at the Croydon Warehouse in which writer and director Jonathan Holloway plunders an archive extending from scripture to sci-fi. with credits along the way to a scattering of Jacobean dramatists and Shakespeare.

In what is billed a science fiction revenge tragedy, we are treated to the quest of one Bussy D'Ambois for the person responsible for leaving him adrift in a spacecraft called Elsinor to die and be resurrected with the image of The Beast tattooed across his face and the wrath of The Beast engraved in his heart.

It is a clever, inventively staged piece, part elaborate literacy pun, part social satire and part metaphysical adventure yarn, in which Bussy confronts the grotesque extension of corporate business interests, grapples with the dreaded secret society of paper men (a sort of cosmic CIA) and overcomes the *obstacle of mental* blocking, only to come face to face *with his own destruction* framed in archetypal terms of betrayal by a beautiful Jezebel.

It certainly *helps to* have more than a passing acquaintance with science fiction, just as it adds something to realise that Elsinor and Amalfi are not simply the names of rockets, but the net of allusions spreads wide enough to draw most people in — from a close encounter with agents on the 39 Steps to a maggot-bodied Martian, the outcome of self-inflicted sensory deprivation, who could *be straight* out of Dr Who.

The whole is performed by a cast of five within a design scheme by Charlotte Humpston, which transforms the apparatus of a very homely reality into a hi-tech landscape. *The* skeletal frame of a rucksack, a defunct supermarket trolley and a series of spokeless bicycle wheels join dismembered tailors' dummies to become the essentials of futuristic society. drum kit and microphones are used to sometimes ear-splitting effect to cast that society in a sonic context.

Bussy himself is first glimpsed framed in a cradle of scaffolding, which lends itself equally to a *tank of amniotic* fluid or rafters from which a snake woman dangles. The style calls for and gets, considerable athleticism from the assembled company, led by David Kendall as a Bussy who is every inch the modern sci-fi questor — mummylike facial plastering focusing attention on discordantly humorous eyes through which we view a landscape *that* is both wittily surreal and a chilling reflection of our own.

More Fancies/Elizabeth Hall

Dominic Gill

On Tuesday evening Summerscope offered no less than 14 new or recent works in two substantial concerts played by members of the Endymion Ensemble. It was an early start, and a late finish, and not much to relax the ear or the spirits with in between—the South Bank, at 9 o'clock at night with half an hour to kill, is not yet one of London's most inviting or enchanting places; and Harrison Birtwistle's Toys, Fancies and Dreams can still (not altogether unexpectedly) prove a pretty demanding playground.

A selection. I liked Dominic Muldowney's exotic transcriptions of six Bach Chorale Preludes for instruments and taped sounds, written last year and dedicated to the memory of the musicologist and critic Brigitte Schiffer. (Brigitte, inexplicably, never cared for Bach—but she would certainly have liked these little bittersweet fragments for their sonorities, and for the exuberance of their working, alone.)

Alexander Goehr's *A Musical Offering* is a rich and fascinating piece for 14 instruments, which I missed at its Edinburgh premiere three years ago. Although the styles, and the methods, are entirely different, it has the same toughness, and the qualities of real challenge and surprise, one of the few works of his own which Birtwistle has programmed for his series—his *Tragoedia* of 1965, a brilliant, pungent ritual full or dark insinuations and brilliant points of light, given by the Endymion directly afterwards.

The evening's second concert offered seven solos and a Hoquet ("taking a line for a walk" was by now the inevitable sub-title). Vic Hoyland's *Work Out* for solo trombone was a "noisy opener" (the composer's own words) — a shade too noisy, and too long as a curtain-raiser for my taste, but played with great presence, and with splendid virtuosity, by Simon Wills. Stefan Wolpe's *Second Piece* for solo violin, dating from 1966, had a delicate, wistful charm, and a kind of glassy fragility, poised on the edge of utterance, afraid of to break. Salvatore Sciarrino's *L'Addio a Trachis* for solo harp was exquisitely delivered by Imogen Barford — poised this time almost on the empty side of silence. Stravinsky's little *Elegy* for solo viola was dropped into the proceedings as a kind of bonne bouche.

BBC Symphony/Albert Hall

Richard Fairman

As the Prom season enters its final weeks, the big guns are being brought into play. Tuesday night's concert featured Shostakovich's Seventh Symphony, among familiar symphonies one of the mightiest of all. Written in Leningrad during the siege of 1941, it is without reservation a war composition: not a pictorial description of the conditions of war as such, but a piece of music whose every facet—its long endurance, its lack of solace—seems to reek of them.

What other symphony is there of this size that seems to follow so unyielding a course? It is virtually a work with tunnel vision, rarely looking back and never looking to either side. When its one digression does occur (the strangely delicate little section for flutter-tongued flutes and harp at the end of the second movement), one senses urgently that precious moments in the main argument are being wasted.

That the feeling registered so strongly at this performance shows the determination with which David Atherton and the BBC Symphony Orchestra had set about their task. Rhythmic attack was properly incisive, the pulse was always firm. If the sections of the vast first movement were marked in a more obvious way than the score seems to demand, it was certainly no detriment to the whole, which fought its way up to a truly shattering central climax.

At this stage of their own siege at the Proms, the BBC Symphony is not perhaps at its freshest to embark on such an arduous undertaking. There were clear moments when those exposed high first violin lines were neither exactly in tune, nor in unison; but few complaints could be made about the players' grasp of style, their resilience, or their commitment as a whole body. The arrival at the final C major, that most hard-won of resolutions to any symphony, was triumphant indeed.

Nothing to dance to there, for sure. But the season's omnipresent dance theme did surface again in the Suite to Bartok's *The Wooden Prince*, which had made up the first half. And in a most welcome form, too, for this is a real concert score: one that conjures visual images in the mind maybe, but also a piece of composition that is able to work on *its own as melody, as rhythm*, as harmony, and—above all—as a blaze of orchestral colour.

The Emperor's Warriors

Clement Crisp

In 1980 the Great Bronze Age of China exhibition at the Metropolitan Museum in New York was a treasure house of artefacts of extreme splendour. Its greatest surprise was to turn a corner in one of the galleries and be faced with the life-size terracotta figures of warriors and horses, a mere sampling of the thousands of funerary soldiers lately discovered near the tomb of the Emperor Qin Shi Huang near the city of Xian.

It is these soldiers which provide the excuse for a dance drama produced by today's Xian Song and Dance Troupe, and brought to the Festival Hall on Tuesday night after a season in Edinburgh.

It would be pleasing to be able to report that this enterprise does anything like honour to the marvels of its theme. Alas, the piece, a pageant of strobe lighting and dry ice, lurid costuming, minimally interesting dance and a good deal of cabaret charm, is inscrutably quaint.

A sentimental narrative would have us believe that the widow of one of the Emperor's soldiers, killed in battle, sculpts a figure of her husband and thus inspires the Emperor to commission the thousands of clay troops who accompanied him to the afterlife.

The staging is *anonymous*—no choreographer, producer or composer (of a score which lies somewhere between Albert Ketelby and the Yellow River) is credited—and it offers few rewards beyond carefully drilled *performances* and the incidental pleasures of a sleeve dance by six wome

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

August 28 – September 3

Exhibitions

PARIS

The Painter in Front of his Mirror: A collection of 222 self-portraits from the 16th to the 20th century shows the infinite variety of ways in which an artist regards himself. From a painstaking likeness to a self representation under the traits of a mefisto or the devil, from thickly laid brushstrokes to the lightest of lines, painters draw their own image for friends – or for posterity. Louvre des Antiquaires, 2 Place Palais Royal. (429 72700) Ends Sept. 5.

LONDON

The Tate Gallery. Turner in the new Clore Gallery: The Turner Bequest, which amounts to nearly 300 oil paintings, finished and unfinished, and a further 19,000 or so watercolours and drawings, has been a source of controversy and dissension ever since it came into the nation's hands more than 130 years ago. Turner had always wished for a gallery to himself which would show all aspects of his work. Whether he would have approved of James Stirling's extension to the Tate as a suitable setting is a nice question. The larger paintings may be hung too low for one who lived in a more ostentatious age, and the tasteful oatmeal Stirling has decreed for the principal galleries is a far cry from the rich plum he is known to have preferred. The vulgar neo-deco of the entrance hall has little to recommend it. But eight rooms for paintings and one for watercolours give room enough, and with the three reserve galleries upstairs, every painting but the few in restoration or on loan is on the wall.

WEST GERMANY

Kassel: Museum Fridericanum Orangerie: Documenta 8 'World exhibition of contemporary arts': paintings sculptures, theatre performances, architecture and design. The Documenta was founded in 1955 by local painter Arnold Bode with Henry Moore, Alexander Calder, Max Ernst and Joan Miro and is an important venue for modern art. This year director Manfred Schneckenburger presents the works of 150 artists, and for the first time open air sculptures which will be erected in Kassel's city centre. Artists exhibiting include Ian Hamilton Finlay, Javier Mariscal, Robert Morris, Mark Tansey, Alexander Melamid, Eric Fischl, Leon Golub, Robert Longo and Joseph Beuys. There is also a separate exhibition 'The Ideal Museum' where 12 architects present their ideas for Museum construction. Ends Sept 20.

Hildesheim, Roemer- und Pelizaeus-Museum, Am Steine 1-2. Egypt's rise to a World Power: More than 300 pieces loaned by 20 museums in Europe, Africa and America – the first presentation of the most important 150 years 1550-1400 BC of the New Empire in Egypt. The bust of Pharaoh Thutmosis III, discovered in 1907 without a face, can be seen complete in Hildesheim. The face, found in Egypt only 20 years ago, was loaned by a Cairo Museum. Another highlight is a reconstruction of the 3000 year old burial chamber of Sennefer, the former mayor of antique Thebes. Clothes, household appliances, tools, cosmetics and jewellery illustrate the everyday life of Egyptian citizens. Ends Nov 29.

ITALY

Venice: Ala Napoleonica and Museo Correr: 'Matisse and Italy': over 250 works by one of most poetic of 20th century French Painters. The exhibition includes paintings, drawings, and Matisse's entire output of sculpture (75 pieces in all), lent by private and public collections in France and America, and the Musée Matisse in Nice. Pierre Schneider, the organizer, has attempted to show how the works of Italian painters such as Mantegna, Pollaiolo, Giorgione and Veronese may have influenced Matisse. Until October 18.

Rome: Galleria Nazionale d'Arte Moderna (Viale Delle Belle Arti) 'Le Stanze Della Memoria': views of interiors, portraits and conversation pieces from the Praz collection. The catalogue is almost more delectable than the exhibition itself: the delicate oils and watercolours get lost in the austere spaces of the gallery. The nostalgic title refers to a period (1776-1870) when the aristocracy of Europe were united as never before or since, a period for which Mario Praz, anglophile, literary critic, and Professor of English Literature at the University of Rome, had a passion. He recreated with accuracy and affection the atmosphere at his "Casa Della Vita." Palazzo Ricci in Via Giulia. Praz's passion for empire style began when still a child and he was still buying new pieces at the age of 85, a year before he died. It is sad that it proved impossible to buy Palazzo Ricci itself, so that these delightful objects could have been seen in their proper setting. Until September 6.

Rome: Palazzo Braschi (Piazza San Pantaleo 1): Carlo Carra' (1881–1966): Over 200 works by one of the most lyrical of Italian contemporary painters, many with clear echoes of those artists known to have influenced him, such as Giotto and Piero Della Francesca. Neatly divided into sections corresponding to his futurist, metaphysical and Realismo Magico periods. Ends Sept 16.

Rome: Palazzo Braschi: Painter-Photographers in Rome: 1845–1870: The term Painter-Photographer was used almost up to 1970 to describe the early photographers, even if they had never painted. An absorbing collection of documentary photographs of Rome, including a collection by the English archeologist, John Henry Parker, and some striking portraits, all from the archives of the Rome Commune. Ends Sept 27.

Venice: Palazzo Grassi: Jean Tinguely: 1954–1987: The jokey mechanical sculpture of Swiss artist Jean Tinguely. A gentler, but still mischievous, version of Salvador Dali, Tinguely describes some of his incredible moving sculptures (all built from refuse iron and steel) as "machines a sentiments," and the complexity and sheer improbability of his works communicate a touching "joie de vivre." Over 300 works are on show, lent by American and European museums, with photographs of his first Self-Destructing Sculpture. Homage to New York, which duly self-destructed in the gardens of the Museum of Modern Art in New York in 1960. Ends Oct 18.

NETHERLANDS

Overholland Museum (Museumplein 4). Roy Lichtenstein retrospective, with 275 drawings from 1961 to 1986, including preparatory gouache and collage studies for murals. Ends Sept. 13.

SPAIN

Madrid, Fernando Botero. Colombian painter whose imaginative world is a poetic distortion of reality. 100 works on loan by private collectors, museums and artist's funds. Centro de Arte Reina Sofia, Santa Isabel 52. Ends Sept 6.

Madrid, Spanish Pavilion in the international exhibition in Paris, 1937. This show reproduces the space, contents and environment of Spain's contribution to the art world during the Civil War, a means of propaganda by the republican government in search of international aid and support. Some originals, some copies or reproductions include architecture of the pavilion by Lacasa and Sert, Picasso's studies on the Guernica and his Dama Oferente, North American Alexander Calder's Fountain of Mercury, Miro's 'El Payes Catalan en Revolucion' and many more on loan by private collections and museums. Centro de Arte Reina Sofia, Santa Isabel 52. Ends Sept 15.

NEW YORK

Museum of Modern Art: Berlinart 1961-87: An international assortment of 55 artists who worked in Berlin over the past 25 years includes David Hockney, Malcolm Morley and Georg Baselitz. Ends Sept 8.

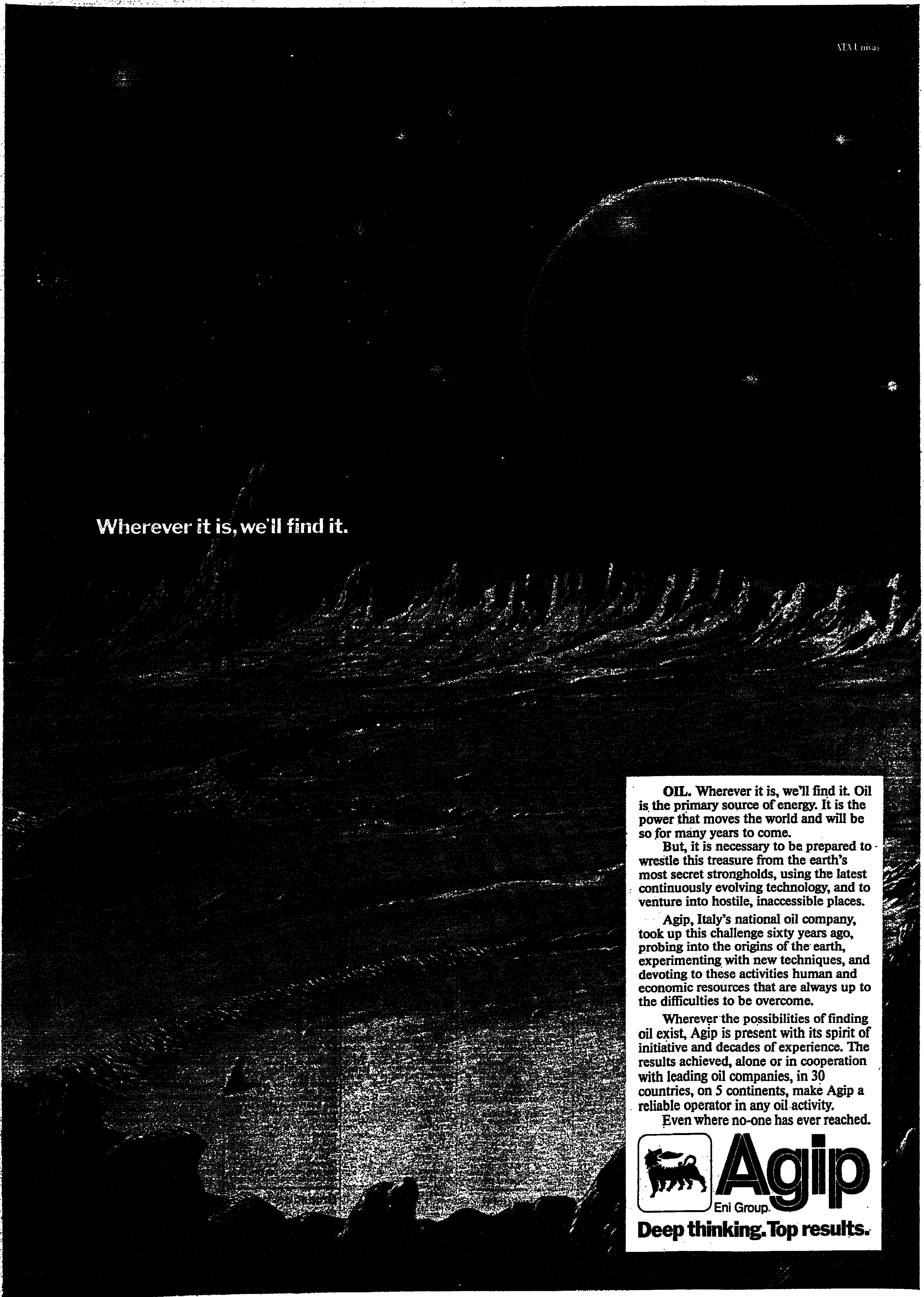
CHICAGO

Art Institute: 16th century Turkish art that flourished under "The Lawgiver" Sultan Suleyman is displayed in 210 objects including illustrated manuscripts, inlaid woodwork, rugs and the imperial wardrobe. Ends Sept 6.

WASHINGTON

National Gallery: A Century of Modern Sculpture, the Patsy and Raymond Nasher Collection, contains major works by Rodin, Picasso, Matisse, Gabo, Giacometti, Ernst, Moore and Serra. Ends Jan 3.

Hirschhorn Museum: One of the Chicago contemporary primitivists whose repeated scenes make evocative images has his first major east coast retrospective with 49 paintings and four painted constructions. Ends Oct. 18.



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FINANCIAL TIMES

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Thursday September 3 1987

Escalation by Iraq

THOSE COUNTRIES which have been working hard to conjure genuine diplomatic progress out of July's United Nations Security Council call for an end to the Gulf war have every reason this week to feel intense frustration with Iraq. If the motives for Baghdad's resumption of attacks on Iranian shipping and offshore oil targets last Saturday after a six-week lull were to some extent understandable, the timing was nothing short of deplorable. It has already caused an unprecedented escalation in the tanker war, with Iran hitting six neutral ships over the last 48 hours in retaliation, and there is a real danger that further hostilities could suck in some of the numerous foreign warships in the Gulf.

The Iraqis claim to have hit a total of 11 tankers over the last five days. Their explicit aim, set out by President Saddam Hussein on Saturday, is "to destroy all of their (Iran's) economic lifelines that supply them with the means of aggression." But in the process they risk scuppering any residual chances of success for the UN ceasefire resolution, and eroding the considerable goodwill they have gathered from Western and other Arab countries in the last few months.

Paradoxically, the US has responded to the latest developments by stepping up the pressure on Iran. But it is now looking very unlikely indeed that Washington will succeed in building sufficient support for an internationally mandated ban on arms sales to Tehran.

Iran prevaricated

President Hussein's impatience with the slow wheels of diplomacy was not entirely without foundation. Although his regime had said it would accept the UN resolution in full provided that Iran did likewise, the Iranian leadership prevaricated for weeks, saying that it neither accepted nor rejected the ceasefire call. While Iraq refrained from attacking Iranian ships, the Iranians kept up a modest degree of pressure in the land war and used what they called "the de facto ceasefire" at sea to ship more oil than they had managed to export since the Gulf tanker war began

None the less, it was by no means certain before the latest Iraqi attacks that political efforts to end the war had arrived at a dead end. Iranian officials had been showing distinct signs of increasing flexibility during the previous week. As recently as last Friday, the Italian and West German foreign ministers were saying that they saw grounds for hope that Iran would co-operate with the UN.

Political investments

If there was ever any chance that the Iranians were going to be brought round, it was always going to take time. Tehran's political investment in the war is simply too great for it to be able to break off without a positive incentive to do so. This was why the West was trying to preserve the ceasefire in the shipping war, and the West Germans and Italians were seeking to focus the attention of those Iranians who were disposed to talk on the elements of the UN resolution that might help their cause—principally the promise to set up an inquiry into the origins of the war, which most observers believe unequivocally was started by Iraq.

Equally, it was Iran's piecemeal approach to the UN resolution which apparently infuriated the Iraqis more than anything. Saddam Hussein said on Saturday that attempts by the international community "to separate the ceasefire issue from the overall resolution" were "dangerous and . . . directed against Iraq."

If that—or a fear that Iraq would not emerge spotless from any eventual settlement—was the perception which prompted Baghdad deliberately to provoke the Iranians, then it was dangerously misplaced. While there is the faintest chance that Iran can be engaged in constructive dialogue, it should be pursued. That means that the West should continue to exert maximum pressure on Iraq—which has no claim to its unconditional support—to desist from any action which fans the flames of the war and jeopardises freedom of navigation.

Far from bringing Iran closer to the bargaining table, as some members of the Reagan administration appear to believe, the latest upsurge in the tanker war is only likely to raise the risk of a much wider conflagration.

Privatisation in the Third World

ADVOCATES OF privatisation in the industrialised world frequently urge developing countries to sell state-owned enterprises. The advice has not fallen entirely on deaf ears: only last week Mr Turgut Ozal, Turkey's prime minister, unveiled an ambitious privatisation programme for the autumn, declaring that henceforth the people rather than the state would play the leading role in industry. But although there has been a good deal of interest in denationalisation throughout the Third World, substantial sales of state assets are still the exception rather than the rule.

This should not come as too much of a surprise. Privatisation is still viewed with suspicion in many industrialised countries: within Europe, for example, only the UK and France can be said to be enthusiastic sellers of state assets. West Germany has dragged its heels despite prodding from the international financial community. When many advanced countries are unwilling (or unable) radically to redraw the boundaries of the state, it is unreasonable to expect bold measures in the Third World.

But this does not mean boldness would not bring considerable benefits. State industrial intervention is extremely heavy in most developing countries: in India and several African countries the public sector account for more than 70 per cent of non-agricultural employment. In Egypt, state-owned enterprises account for 40 per cent of GNP, absorb 45 per cent of total investment and generate 83 per cent of exports. State ownership typically extends far beyond basic utilities and embraces much of large-scale industry as well as financial services from banking to insurance. The private sector is frequently responsible for little more than small-scale manufacturing, personal services and agriculture.

By and large, the performance of state-owned businesses in the developing world has been disappointing. The World Bank argues that they have typically failed to provide the hoped for spur to industrialisation and faster growth; financial returns have often been unimpressive. Publicly owned companies in the Third World are more prone than their counterparts in industrialised countries to the familiar problems of political interference, poor incentives for management and weak commitment on the part of the owners to profitability as opposed to wider social goals such as the maintenance of employment.

Ideological opposition to privatisation is widespread but probably not as intense as is sometimes imagined. Nationalisation was often inspired less by political convictions than by a patriotic desire to speed growth or save sick companies: conservative governments have tended to intervene as much as those that are avowedly socialist. If privatisation can be shown to work, it may be embraced on purely pragmatic grounds. Developing countries in any case tend to imitate the policies favoured in advanced countries: the First World trend towards greater reliance on the private sector will thus eventually be influential.

Budgetary pressures

The real problems are practical rather than political. Poorly developed capital markets are a major drawback throughout the Third World. In many countries, bourses are tiny and there is simply no tradition of large-scale equity investment. Flotations are inhibited by the absence of both financial intermediaries and potential investors. Direct sale of state enterprises to overseas investors is a theoretical solution, but it is often ruled out on political grounds: to sell state assets to the people is one thing; to sell them to foreigners is quite another.

The fundamental question is whether developing countries are willing to link denationalisation with measures to improve the efficiency of markets. It would be foolish to have high expectations. The interest around the world in privatisation as such is easy to understand: it is natural for politicians of all stripes to want to ease budgetary pressures and escape responsibility for thorny industrial problems. But deregulation is another matter. It offers only diffuse benefits and tends to reduce politicians' powers of patronage. The Thatcher government has been keener to sell than to liberalise: the Third World will probably follow suit.

In the week that the South African black miners' strike collapsed, **Anthony Robinson** talks to Bobby Godsell of Anglo American

The seeds of dialogue

FOR THREE weeks, while 300,000 black miners and the major mining houses engaged in a historic trial of strength, enormous responsibility rested on the shoulders of two 35-year-old South Africans, Cyril Ramaphosa, leader of the black mineworkers union (NUM) and Bobby Godsell, head of labour relations at the giant Anglo American Corporation.

Given the legacy of apartheid and South Africa's totured history, the conflict was inevitably seen by many as a David and Goliath struggle which ripped the veils from the liberal-progressive image of South Africa's most powerful capitalist institution, founded and guided by the legendary Oppenheimer family.

The strike collapsed after Anglo dismissed more than 30,000 workers, closed two marginal shafts and threatened further mass dismissals.

"The strike has proved thre is no such thing as a liberal bourgeoisie," declared Mr Ramaphosa. He defended the NUM's decision to return to work as a strategic move to ensure that the union remained intact to fight with even more determination in 1988 and beyond.

Having demonstrated its ability to mobilise and sustain a lengthy strike, and to organise a disciplined return to work, the union has established itself as a power to be reckoned with. By the same token, Anglo has demonstrated that what Godsell calls to commitment to robust liberal puralism includes a tough defence of its vital economic interests.

The question nowis whether the strike has locked the industry into a pattern of damaging and increasingly bitter confrontations, or whether careful post mortems by both sides could lead to a more creative approach to a shared future.

Interviews this week with the two key figures in the dispute indicate fundamental differences in perception but also the seeds of a potentially fruitful dialogue.

Mr Ramaphosa: "It will not be easy to bring about fundamental changes without using the weapon we have now forged, given the feudal structure of the industry, unfairness in terms of wages and the way workers live and are made to work.

"It is difficult to imagine co-operation with those who have derived wealth and power from worker exploitation and forged a bloody alliance with the state."

Godsell, a sociologist, from Natal, is the main architect of a long-term labour relations strategy which is viewed with suspicion by many in Anglo's more conservatiev lower-to-middle management, as well as by both black and white unions. He has problems with what he calls the NUM's "crudely neo-Marxist views."

He openly admits that "aspects of our relationship with the NUM are pure and unadulterated confrontation. The issue of wages versus retained earnings and distributed profits is a zero sum game. It is a question of who gets what.

Bobby Godsell: Our collective bargaining relationship with the NUM has got to mature so we can cope with short-term conflict and long-term common interest.

"But our collective bargaining relationship has got to mature to the point where we can cope with both short-term conflict and long-term common interests . . . we want to break out of the sterile debate on ideologies and put the debate on the level of real world economics.

"It is in neither side's interest, for example, to curtail the size, scopeand life of the South African mining industry."

Godsell agrees with Ramaphosa that the mining industry with its migrant hostels and heavily armed mine security personnel contains feudalistic elements which have been exacerbated by apartheid laws. It is a situation which both sides should co-operate in removing, he adds.

But he rejects both the NUM's accusations of hypocrisy and charges of a fascist-style alliance between mining companies and the state. "The tolerance of conflict is the hallmark of a liberal democracy. This strike could not have taken place either in a socialist or an organic nationalist society.

"I can't see it having taken place, for example, in Zimbabwe or Zambia. In other societies where institutions are set up to express the national interest there is just not room for crusty groups of unions and employers to bash themselves on the nose for three weeks as we have just done."

The fact that with one aberration — the arrest of 78 shop stewards early in the dispute—the Government kept out of the strike is also difficult to reconcile with the critique of South Africa as a feudal or even Fascist society, he adds. More accurately, the strike should be seen as part of the learning process in the difficult transition towards a modern industrialised and urbanised society.

In the short term Anglo is paying a high price for its encouragement of black trade unionism reflected in the fact that 86 per cent of the NUM's members are recruited from Anglo mines.

Other companies, like Goldfields of South Africa (GFSA) and Anglovaal, which have been far less co-operative to union recruitment on their mines, hardly suffered from this strike—although the union has threatened to make them targets in future. "Every dog has its day," Mr Ramaphosa replied when questioned about future intentions towards the two companies.

Meanwhile there is quiet anger at Anglo over the NUM's public charges of hypocrisy, which Godsell believes are based on false perceptions of what collective bargaining and Anglo's views on liberal pluralism are all about.

"I respect Mr Ramaphosa, his ability, his energy, his drive. He is a formidable opponent, but what South Africa needs is not a black/white love-in but a situation where blacks and whites have shared institutions and collective bargaining is one of them."

It is premature to talk of trust when the point of collective bargaining is not to eliminate inevitable conflicts of interest but to institutionalise them, Godsell argues.

"Three times during the strike we were party to negotiated attempts to end it. On the other hand we resisted violence and intimidation and acted decisively in the third week to defend our vital interests. That is compatible with our view of robust liberalism.

"I see no irony or even paradox in the fact that conflict is taking place through the collective bargaining system between the NUM and ourselves. But it is a big mistake to think that giving people room to organise means we give up our ability aggressively, assertively and effectively to promote our vital interests."

Up to now unions have developed on the British pattern with strong emphasis on maximising short-term gains. What is needed, Godsell believes, is a shift towards the more long-sighted Japanese and German pattern "where unions are equipped to deal with changing technology and world markets."

As an example of the kind of market-related issue of direct interest to both management and unions, Godsell cites the growing competition from low-cost gold producers which is depressing South Africa's share of the gold market.

"I want to talk to the NUM about the real threat coming from those producers in Latin America and elsewhere. But when we get to talking about these things or about ways of jointly acting as midwives in the development of black urbanisation through co-operation in ending the hostel system, the Hegelian or Marxist confrontation model is not terribly helpful."

Meanwhile he believes the union will now have to face accelerated restructuring of an industry based traditionally on cheap labour and cheap energy.

"Capital-output ratios will move increasingly towards greater capital expenditure and mechanisation at the expense of numbers employed. If the union wants to be involved in real progress for its members it will face a trade-off between wages, job security and skill advancement.

"If real wages are to improve there must be more productive use of labour, not just through new technology but through better deployment and management of people."

Summing up Godsell concludes: "The strike has shown there is power in black hands. The question is can it be used constructively. The mutual burden of responsibility rests on our shoulders and those of the NUM to create the channels, the processes and the skills to do so."

THURSDAY BOOK REVIEW

Heseltine: an unauthorised biography

by Julian Critchley
Andre Deutsch £9.95

WHEN Edward Heath asked Julian Critchley what he was doing during the summer parliamentary recess last year, Critchley replied that he was writing a biography of Michael Heseltine. "That won't take long," said Heath.

Perhaps it did not, but Heseltine is still a very good subject and was possibly even more so at the time when Critchley was writing — before this year's general election, the result of which appeared to the author to be in some doubt. If the Conservatives had lost, Heseltine might now be Leader of the Opposition. Even if they had won only narrowly, he might have been able to offer some constructive criticism of Margaret Thatcher with an eye to the succession. As it is, he seems condemned to the back benches so long as the present Prime Minister is in charge. He remains, however, a long distance runner.

Critchley, although a Tory MP, is by no means an objective source on Mrs Thatcher's party. He appears to dislike her profoundly and almost everything that she stands for. He is antipathetic to Leon Brittan — an important figure in the Heseltine story — to the point of prejudice, and he has no interest in, but rather a contempt for, economic policy.

Nevertheless, as a Heseltine biographer he has several advantages. He knows his subject. They met briefly when their prep schools shared premises during the Second World War. They were at Shrewsbury together and at Pembroke College, Oxford. After university they kept in close touch when Heseltine was making, and sometimes losing, a lot of money from property and publishing.

For a year Critchley was editor of Heseltine's Town magazine until Heseltine sacked him and simultaneously obliged him to sell back the part of the Heseltine house in which he had been living, for the same price that he had bought it. "Our friendship was over," Critchley says, though it must have had its moments afterwards.

Above all, Critchley can write and tell funny stories. One can quite see why this biography is unauthorised since it contains a few indiscretions, most notably an account of Heseltine letting fall his mask in the division lobbies of the House of Commons, denouncing Mrs Thatcher as "that bloody woman," then swearing the author to silence. The silence was kept for four years.

Yet, for the most part, the stories are in Heseltine's favour and he comes out as the kind of colourful, able, slightly strange figure of which the present Tory Party is all too short. The only trouble about him is in Lord Whitelaw's phrase (not quoted here, though there is extensive inference to Whitelaw's alleged strong dislike of Heseltine), that "Michael always was a bit of a rogue elephant."

There is something rather endearing about a man who sits down as an undergraduate in an Oxford restaurant, charts his career in terms of decades on the back of an envelope and writes: "1990s — Downing Street." Even if he does not pull it off, he will have been at least one of the contenders.

There is another story, previously unknown to me. In 1964 Heseltine was the Tory candidate for the Labour-held seat of Coventry South. He had no chance of winning, especially in that year when Harold Wilson was supposed to bring in the technological revolution. Still, he printed photographs of people who would be voting for him in local newspapers. One of them was of a black bus conductor. Critchley records that the constituency agency was appalled, but Heseltine said that if the photograph was withdrawn, he would withdraw his candidature.

Consistency has been one of Heseltine's strong points. Concern about the minority communities was to emerge later in his speeches to the Tory Party Conference. He was also consistent in his commitment towards Europe which unfortunately culminated in the Westland affair. The irony was that his antagonist, Leon Brittan, had always been equally committed to Europe. As Secretary of State for Trade and Industry when Heseltine was at Defence, he just did not think that the so-called European solution would work in the case of Westland.

Critchley is wrong about all this. Brittan at that stage had no more reason to feel grateful to Mrs Thatcher than Heseltine had, having been removed from the Home Office against his will. Indeed at an earlier stage, as Chief Secretary at the Treasury, Brittan had advocated Heseltine for the Defence Ministry on the grounds that he was the only man likely to put the place in order. It was only when the rogue elephant broke out that the admiration was tempered.

For the rest, Heseltine, has done Mrs Thatcher's party some service. He recognised the problems of the inner cities before the Prime Minister: witness his attention to Merseyside when Environment Secretary. Some of his proposals for the inner cities in general are only now being adopted. As Defence Secretary, he stood up effectively to the Campaign for Nuclear Disarmament, changing the term "unilateral" to "one-sided" disarmament. And even if, as Critchley suggests, the loyalty is all shown by wearing a mask, by and large he has worn the mask well. Not least, he has thrilled the party conferences, often while telling them things they would not normally wish to hear.

He ought to be in the Government, if only for his ability and a touch of colour. The question is where. Obviously not at Trade and Industry, where his views are similar to those of Mr John Smith of the Labour Party and anathema to Mrs Thatcher. Perhaps he could be party chairman as the next general election approaches?

Malcolm Rutherford

Men and Matters

A day in the life of Chapman

The "Ian Chapman slams News bid" headlines of the summer of 1981 seemed an age ago yesterday, when the William Collins chairman spoke fulsomely of Rupert Murdoch's role in binding together the Harper and Row deal.

In those dark days of 1981, the Bible publishing giant almost fell into the hands of Pergamon in the first British battle between Robert Maxwell and Murdoch. Perhaps because of all the heat generated, Chapman was able to see off both predators, surviving a Dynasty-style row in the Collins family in the process.

In March this year when Harper found itself under attack, Winthrop "Win" Norton, the US publishers' chairman, asked Chapman, an old friend, if he would come in as a rescuer.

Uncertain just how much dust had gathered on some of the volumes of Harper's shelves, Chapman demurred at the $240m asking price.

However, within days Murdoch came onboard with a triumphant $293m offer. "I have to admit he may be better at making deals than me," said Chapman yesterday.

As News owns two-fifths of Collins, it was more than happy to allow its successful UK publishing book protege to take over the management reins at Harper—and now to take half of it off its hands in exchange for $156m.

A lot of Collins, and therefore News, confidence has come from the "Day in the Life of" series, a one-off venture which has turned into a publishing blockbuster. The US book will have sold 1m copies by the end of this year and according to Chapman, "Was worth more in terms of our US profile than a multi-million dollar acquisition."

In October 400,000 pre-sold copies of the Soviet Union special, again at $39.95 a time, will be hitting the bookshop shelves.

As a follow-up Collins is planning "Christmas in America"—to be photographed this year and published in November 1988. And, what's more, the Collins' Bible is now, courtesy of Harper and Row, being sold in the US for the first time in years.

Tokyo recruits

When Mike Connors, Barclays de Zoete Wedd's director in Tokyo, took his PhD at Sheffield University—a noted producer of Japanophiles—he wrote a thesis on Japanese industrial relations. It appears to have paid off with BZW's cracking of a well-known problem for the rapidly expanding community of foreign financial houses in Tokyo.

Graduates from the top Japanese universities, it seems, are rarely attracted to foreign houses. BZW, wanting to expand its 100-strong staff in anticipation of winning the securities licence which was awarded yesterday, launched a recruitment campaign to attract them.

The effort, including a video and several seminars all in Japanese, attracted no less than 1,400 applicants. Of them, 33 were offered jobs and 26 accepted. Nor was BZW offering Porsches or other London trappings: it insists that it is simply paying the standard package for Japanese graduates.

Breaking point

Life is getting rougher in the nice people's party. A weary journalist covering the SDP conference returned to his Portsmouth hotel in the early hours of yesterday to find a noisy row in progress in the next room. A man and wife team of delegates were split down the middle on the question of whether to merge with the Liberals, and the disturbance only ended when the husband stormed out, slamming the hotel's front door hard enough to break the lock.

The worried manager stood sentry until dawn against his return.

Elsewhere, staff at a restaurant were collecting the pieces of a chair which disintegrated during a heated discussion on the same subject.

Compared to all this, the visit of West Ham football fans for the Bank Holiday game with Portsmouth passed off quite peacefully.

Build-up

Richard Rogers, one of Britain's best known architects whose work has rarely failed to stir controversy, may soon get a chance to conjure up another high-tech building to match his design of the Lloyds headquarters in London and the Pompidou Centre in Paris.

Rogers is on the short list of architects to design a £6m head office for Generics Holdings, a fast-growing technology consultancy based in Cambridge.

The architect has achieved fame, if not notoriety, for his trade mark of large open-plan offices with items like pipes and lift shafts carried on the outside of the structure.

But Gordon Edge, Generics' founder and chief executive, has faith in Rogers. He is an old friend, having commissioned the architect to build the main offices near Royston of PA Technology, the organisation of which Edge was head until last September, when he left abruptly to set up on his own.

Since then, Generics has grown rapidly. In its first year it received fees of £2.5m, mainly from blue-chip companies for advice on business strategies linked to technology.

The staff of 50 is increasing at such a rate that Edge confidently expects that the new offices, replacing the current temporary headquarters, will be required in 1989, by which time employees should be up to 300 and turnover above £10m.

The site for the building is earmarked for somewhere in south Cambridgeshire.

Bitter pill

The chances are that the last time you took a pill to numb that feeling even the best of us get the morning after the night before, it came from China.

Cheap Chinese painkillers, however, are giving EC drugs companies one of the longest headaches they can remember.

Cefic, the EC chemicals industry federation, has just persuaded the European Commission to re-open an inquiry into allegations that Chinese pharmaceutical companies are dumping large quantities of paracetamol in the Community.

China promised, following similar complaints five years ago, to keep its EC prices for the drug at a fair level; that is, the same as at home. But this treatment has not had the desired effect — and to make matters worse the price agreement ran out in July. Community drugs producers maintain that Chinese prices are still well below EC levels and that they are suffering as a result. China's share of the paracetamol market has doubled from 7 per cent in 1985 to 14 per cent in the following year, they claim.

This time, they hope that the Commission will take a tougher line and impose punitive levies on Chinese exports of the drug.

Groundwork

Six-year-old son of colleague's neighbour, on being told for second time to tidy his bedroom before prospective house-buyers arrived, asked wearily: "If you've gone downstairs, Mum, why not tell them it's a bungalow?"

Observer

THERE IS a growing consensus that British companies have neglected training and that they will continue to do so at their peril. Despite high unemployment, skill shortages have increased, exacerbated by the demands of new technology. Critics of Britain's training system have begun to talk about a crisis, warning that it threatens to undermine the UK's competitiveness.

The questions being asked are whether British workers are less well trained than their counterparts in competitor countries; and what can be done to improve the UK system for imparting skills.

Even measuring the shortfall is fraught with difficulties. The Manpower Services Commission (MSC), which is responsible for encouraging employers to conduct more training, does not know how much they spend on it. The MSC's first comprehensive study of such spending will not be ready until next spring—15 years after the commission was created.

One of the most frequently used measures comes from a survey of 500 leading companies carried out by IFF Research for the commission in 1985. It reported that British companies spent on average about 0.15 per cent of turnover on training. This looks paltry compared with the US where leading companies commonly spend 3 per cent of sales revenue on training, and West Germany where some 2.3 per cent of gross national product is consigned for this purpose.

This apparent indictment of British companies has infuriated a group of 14 big engineering concerns, including Ford. They argue that the comparisons are misleading. The aggregate turnover of all UK companies is well in excess of GNP; Ford, for instance, spends 2.24 per cent of its added value on training but only 0.61 per cent of its turnover. The UK survey covered only the private sector, while the West German figure relates to the entire economy; and IFF considered adults only.

Mr Terry Wilson, Ford's director of education and training, estimates that British public and private sector employers spend about £5.5bn, or 1.85 per cent of GNP, on adult and youth training, compared with the German figure of 2.3 per cent, or £9.2bn. He says private UK companies spend more than their West German counterparts on adult training. The shortfall is either in the public sector or in the youth training system, he argues.

Mr Wilson also disputes claims that industry is suffering an acute skills shortage. While CBI surveys show that the number of companies expecting their outpjut to be constrained by skill shortages rose from 2 per cent at the start of 1983 to 15 per cent last year, the present skills shortage is small compared with the late 1970s. Then, more than 25 per cent of companies reported this constraint on their output.

The UK skills shortage

When it's time to stop passing the buck

By Charles Leadbeater

Mr Geoffrey Holland, director of the MSC, agrees that short-term measurements of skill shortages do not capture the extent of Britain's training deficit. The CBI's figures merely record what companies need now, which reflects a lack of training two or three years ago rather than what they need to do now to satisfy future needs.

Nor do they cover the overall skills shortage in the economy. The investment in training needed for a return to full employment would be many times the amount required to fill present gaps.

Mr Holland says: "Seven eighths of the problem lies below the surface. The real skills gap is that our country is under-educated, under-trained and under-skilled. And that is because our approach to training has for decades been too little, too narrow, for too few, with too few exceptions and with hardly any follow through."

A substantial body of evidence, concerning everything from teenage schooling to management training, has been gathered behind Mr Holland's argument by researchers at the National Institute for Economic and Social Research.

They found that while some 30 per cent of young West Germans leave school at about 16 with an intermediate certificate—for which they are assessed in an average of 10 subjects including German, mathematics and a foreign language as compulsories—only 12 per cent of English school leavers reach a comparable level. The average German standard for the lower half of the ability range is the same as the average for *all* English pupils. In Japan, more than 95 per cent of young people are in full-time education until 18, compared with 32 per cent in England. The average 13½-year-old Japanese child knows more about mathematics than the average English 15-year-old.

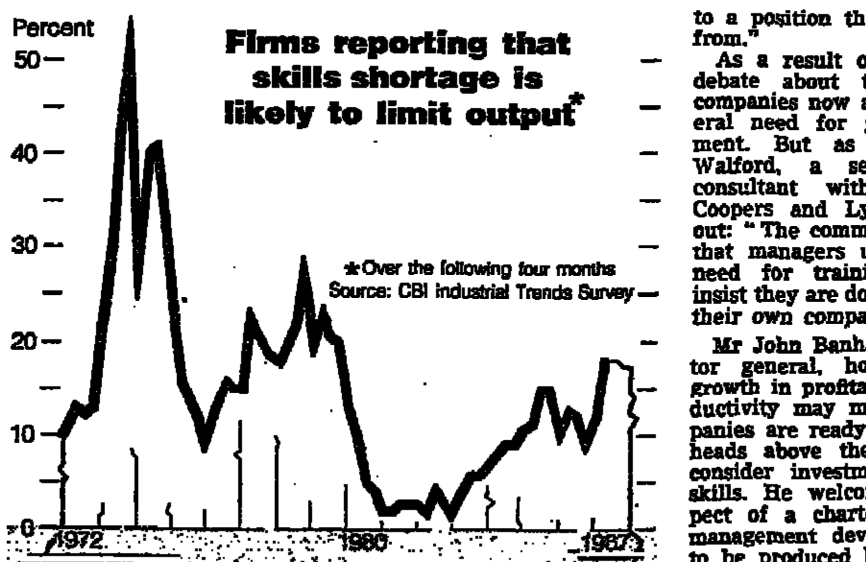
After schooling, the gap between Britain and its competitors is maintained. In West Germany, about 600,000 young people a year embark on an average three-year course in industry and commerce. Between two and three times as many people qualify as fitters, electricians and building craftsmen as in Britain, and about five times as many qualify as clerical workers.

As Mr Holland says: "They train more young people longer, *more systematically and to* higher standards."

Many employers agree, and go on to argue that this, rather than adult training, is the central problem in Britain. But they say that the responsibility for improvement lies with the Government, the MSC and education authorities, rather than with themselves.

The MSC and the Government are busy in this area. The development of a national curriculum with regular testing may lead to higher standards in schools. But the Government's policy still seems confused, with the national Training and Vocational Education Initiative for all secondary schools vying with the more selective City Technology Colleges.

Improvements to the Youth Training Scheme (YTS) are also in train. Mr Holland says it remains a programme of variable quality. A minority of employers takes part, only half the organisations providing training have passed the MSC's approval test and, in many subjects,



British youngsters continue to lag behind their foreign counterparts even after two years of training.

But Mr Holland argues that *employers have a considerable responsibility for improving* the situation. Two of the most damning criticisms of YTS stem from flaws in the employers' approach.

West German employers provide the entire £7bn spent annually on youth training. In Britain, the Government still foots a substantial part of the £1.1bn a year spent on YTS. Also the scheme remains primarily for unemployed youngsters. Most of those leaving the scheme to go into jobs have to give up their training because their employers do not want to continue with it. Mr Holland sees this as a clear sign that too *many employers undervalue* training.

This is borne out by comparing the attitudes of British employers with those of their foreign competitors. The IFF survey found that 24 per cent of the 500 employers covered had provided no training at all during the preceding year, and that 69 per cent of employees had not been given any training in the previous 12 months. For the workforce as a whole, off-the-job training accounted for 1.9 days a year, about a quarter of the average in West Germany.

The gap is also reflected in terms of higher education. In West Germany, 63 per cent of senior managers have a degree. One US survey found that 51 per cent of senior managers had a second degree. A recent report by Professor Charles Handy, for the National Economic Development Office and the MSC, found that only 21 per cent of British managers have degrees. One in five large British companies make no provision for management training, rising to 75 per cent among smaller companies.

Mr Chris Hayes, a leading *training consultant and one of* the authors of the National Economic Development Council report, Competence and Competition, published in 1983, comments: "Most of our companies are having to make good what their competitors take as given. Most management development in this country is remedial to get our managers to a position that others start from."

As a result of the growing debate about training, most companies now accept the general need for greater investment. But as Ms Veronica Walford, a senior training consultant with accountants Coopers and Lybrand, points out: "The common response is that managers understand the need for training, but they insist they are doing enough for their own company."

Mr John Banham, CBI director general, hopes that the growth in profitability and productivity may mean that companies are ready to stick their heads above the parapet and consider investment in future skills. He welcomes the prospect of a charter for British management development, due to be produced by a group of companies towards the end of the year. It will include a recommendation for 10 days off-the-job training a year.

But the argument could run the other way. Improved profitability and productivity could be taken as signs that industry is doing as much as is necessary to remain competitive.

Accordin gto Mr Hayes, the answer comes in two parts. Studies have shown that the productivity level of British workers, using comparable machines to make comparable products, is 60 to 70 per cent below that of West Germans. Also in that country, breakdowns (which are in any case infrequent) can mostly be sorted out by the operative, minimising downtime.

It is not just undertraining of workers which accounts for lower productivity. A survey published by the British Institute of Management last year found that a quarter of companies spent only one tenth of the time between receiving and completing an order actually working on it.

"This kind of inefficiency is not the fault of Government. There is nothing wrong with the plant or technology. It was a lack of management, organisation and all round competence," says Mr Holland.

Yet even the international productivity gap does not adequately capture Britain's training shortfall, according to Mr Hayes: "Those figures measure past and present productivity. they say nothing about future prospects for productivity. Productivity figures are a very narrow measure of efficiency. In future, competitiveness will *depend on quality, customer* satisfaction, innovation, the competence to exploit uncertainty rather than be engulfed by it." He concludes: "British companies have become more narrowly efficient. But in future they will have to adopt a much more strategic view of competitiveness, a much broader view of the purpose of training.

Lombard

The challenge of tax reform

By Michael Prowse

PESSIMISTS EXPECT little in the way of radical tax reform from Mr Nigel Lawson, the Chancellor, during the third Thatcher term. They point out that edicts from 10 Downing Street and poor responses to green papers rule out almost every conceivable reform from ablition of mortgage interest relief to an overhaul of the Victorian tax treatment of husband and wife.

At least one tax expert, however, believes that Mr Lawson can still make a mark next March. Professor Mervyn King of the London School of Economics, who a decade ago provided much of the brainpower behind the radical Meade report on UK tax, has put forward a comprehensive reform package he thinks could be implemented in a single Budget. It offers, at a modest cost of £2.5bn: significantly lower—not provocative—marginal income tax rates, a much more level playing field for the taxation of savings and investment (an approach to fiscal neutrality); and valuable reductions in the cost and complexity of tax administration.

How is all this achieved? First, by introducing just two rates of income tax—a basic rate of 25 per cent and a top rate of 40 per cent. Criticism that this unduly favours high earners is deflected by simultaneously eliminating the inequitable upper earnings limit on national insurance contributions. Taking NICs and income tax together, the top rate would be 49 per cent, which is not so far off top US rates (if local taxes are taken into account) and a tacit recognition that it may be fruitless for the taxman to try to snatch more than half of anybody's marginal earnings.

Fiscal neutrality in the taxation of savings and investment appears to present a bigger challenge, having eluded Mr Lawson in four successive Budgets. Standard tax theory says it can be achieved either by moving towards a Meade-style expenditure tax (an income tax with deductions for all forms of savings) or, conversely, by eliminating all deductions and adopting what is known as a comprehensive income tax. The trouble is that Mr Lawson has vacillated between the two: in his 1984 Budget he dismissed expenditure taxes as an academic pipe dream and started eliminating tax concessions for sving. But within two years, after opposition from the pensions industry he was moving in the opposite direction: the tax treatment of Personal Equity Plans is pure Meade.

Prof King's brainwave is to recognise that a close approximation to fiscal neutrality is possible within a hy tax system—in other words one which adheres neither to expenditure or pure income tax principles. The trick, he points out, is to separate the taxation of earnings and the taxation of investment income. He shows (with some slightly complex mathematics) that provided capital gains tax can be taken as negligible, most of the fiscal distortions to savings and investment can be eliminated by imposing a flat rate 25 per cent witholding tax on both dividends and interest inmoce.

Flat rate withholding taxes on investment income would be simple to collect and impossible to avoid, and thus extremely popular in Somerset House. A tax reform which logically requires the abolition of capital gains tax in order to achieve neutrality would also go down well at the Tory Party conference. But it is important to appreciate the radicalism of the propsal: Prof King is saying that you pay on investment income should bear no relation to the size of your other earnings—the pensioner with a small account at the Halifax would thus betaxed at the same rate as a millionaire with a vast share portfolio.

Some will regard this as an unacceptable deviation from egalitarian principles. Prof King concedes that some rich individuals would gain (although most anyway successfully dodge higher rates of tax on investment income), but argues that this proposal—like his suggested reduction of marginal income tax rates—is worthwhile on efficiency grounds. The package is certainly in keeping with the spirit of the times. Might Mr Lawson feel able to commend it to the House?

Prospects for tax reform in 1988. From the LSE Markets Group.

Letters to the Editor

Action needed on London airports

From the Chairman, A National Policy for Britain's Airports

Sir, — Many and varied suggestions for the next stage of airport provision in the London system are now being made. The Noise Abatement Society has urged a revival of the Maplin plan (August 20) while the Air Transport Users Committee advocates further runway provision at Heathrow. Some airlines, to overcome existing congestion, are pressing for a relaxation of night flying restrictions and the regions press their own case for development.

Irrespective of the merits of each case, they share the common concern that action to address the lack of long-term capacity in the London airports system needs to be taken, and needs to be taken now.

Harry Greenway (MP, Ealing North) asked the Secretary of State for Transport on May 5 if he would consider an investigation into a long-term strategy for Britain's airports. Mr David Mitchell, replying, said: "No, My Rt Hon Friend is satisfied that the 1985 White Paper, 'Airports Policy,' adequately sets out a strategy for the provision of airport capacity and associated environmental protection." Unfortunately, the White Paper only makes provision up to 1995.

If we are to have an airport system capable of meeting the anticipated demands at the turn of the century, the Government has to address the issue. Everyone in this country must soon accept we need to find the best solution quickly. If we continue to wait, then a bad solution will be foisted upon us.

Douglas Robertson.
29, Tufton St, SW1.

Provision of air services

From Mr A. Lucking

Sir,—I hope that Mr Gil Thompson (September 1) does succeed in promoting the maximum possible number of international air services from Manchester; that similar success can be achieved at Birmingham; and that Scotland can somehow concentrate its fragmented and inadequate overseas services. Each Mancunian passing through Heathrow effectively makes a double contribution to congestion there. Six lightly loaded Qantas 747 movements each week don't help either!

The problem Mr Thompson overlooks is that of the smaller regional centres (and the 30 per cent of Manchester—Dusseldorf passengers who travel via London: and those Mancunians going to the 100-odd destinations uniquely served *from* Heathrow for the foreseeable future). Moreover, the Manchester forecasts appear to others to be somewhat optimistic.

The foreign railway engineer buying cranes from Carlisle or Newcastle, or welding plant from Inverness, either goes through London, or he will go to Dusseldorf or Zurich. These days, if you can't fly there easily, you can't get there. This is why a third, commuter, runway must be added at Heathrow.

Several more pairs of the smaller centres could be "twinned" and linked to the major Continental centres if we can find a formula that will satisfy HM Customs, and Immigration, and the airlines, so that domestic passengers can be carried between the two UK cities, thereby boosting the total route revenues.

All this work for Great Britain plc will be undermined if British Airways manages to re-establish its "iron fist" monopoly. Its profits could be maximised by returning to the traditional strategy of channelling everything through London, rather than tolerating the present growing "revenue leakages" via Amsterdam, etc. In 1984, the CAA foresaw the current crisis and recommended that British Airways should not be allowed to operate from the regions.

A. J. Lucking,
20, Broad Court, Bow Street, WC2.

Stability of the dollar

From Mr A. Sherani

Sir,—I was surprised by your editorial (September 1) where you argued the case for a period of stability in the value of the US$, largely by comparing the US external trade adjustment to a currency depreciation with the experience of the UK. Clearly the ability of the central banks in Japan, Germany and the UK to intervene in the *foreign* exchange markets is not unlimited. Hence, even if the economic logic of your argument is correct it is not practical, as most foreign exchange market paricipants have far shorter horizons compared to the horizon of a few years needed for the exchange rate effects discussed in the editorial to feed through into the external trade positions.

More importantly, however, the critical difference between the experience of the UK and the US is the sheer size of the net foreign claims on the US. *Even* when taken as a proportion of GNP, the change in the US external position makes a comparison with the UK a hypothetical exercise. Net foreign claims on the US as a percentage of the GNP were +0.7 per cent (ie, the US was a net creditor) as recently as 1984. The IMF estimates that this will have changed to a net debt equivalent to about 8.5 per cent of GNP by the end of this year, ie, about $400bn, and will rise at a rate of well over $100bn for at least the next two years. Hence, when the problem is analysed in terms of flows (ie, trade deficit, etc), it appears less horrendous than when it is analysed in terms of stocks (ie, the level of net foreign claims) and flows. It, therefore, seems quite optimistic to suggest a long period of stability in the US dollar as a practical proposition, let alone a solution.

Arif Sherani.
(Senior Economist), Banque Paribas Capital Markets, 33, Wigmore Street, W1.

Tighter gun controls

From Mr D. Sawers

Sir,—Mr King's letter (August 28) reveals how difficult any effective control over *the use of guns would be.* The tragedy at Hungerford was the work of a member of the "responsible, shooting fraternity," if Mr Roberts applies this description to members of shooting clubs; and it shows how futile would be measures such as limiting gun licences to those who had belonged to a shooting club for six months. Medical certificates would be equally futile; a general practitioner is not a psychologist, and even a thorough psychological examination is unlikely to detect the potential murderer.

The risk of a recurrence of Michael Ryan's murders can *only* be eliminated if the private ownership of guns is ended. That is the uncomfortable truth that politicians have to face when reviewing the gun laws. So long as guns can be freely bought by those without criminal records, and are freely available for the criminal to steal, they will be used by the unstable and the criminal to kill and to intimidate.

The effectiveness of any changes to the gun laws can be measured by the number of guns they take out of circulation. The more difficult it is to obtain a gun, other things being equal, the less likely are they to be used to kill; and society depends upon governments to protect its members from violent death. If guns are freely available, as they now are, and their use in crime and for murder has become normal, the choice lies between restricting the supply of guns for public and criminals, or arming the police.

Parliament will have to decide whether the protection of the individual from violent death is compatible with the private ownership of guns. Sporting weapons cannot be excluded from such a decision when they are so popular with the criminal. The choice lies between saving lives and preserving the traditional pleasures of shooting at targets, animals and birds. It is a question of the values society puts on human life and the right to chooose one's pleasure.

David Sawers.
10 Seaview Ave, Angmering-on-Sea, Sussex.

A torrent of new issues

From Mr T. Walmsley

Sir, — You assert (Editorial, August 29) that the present "torrent of paper has left many funds facing losses on the underwriting which the preservation of their subscription rights made necessary." This is incorrect. Pre-emption rights do not depend on underwriting to be effective. Both the National Association of Pension Funds and the Association of British Insurers have made clear recently that they will accept non-underwritten issues employing deep discounting of the issue price. A rise in underwriting fees would be a perverse response to the recent spate of failed rights issues. The answer lies in deep discounting whereby the issue price is set sufficiently low to render negligible the risk of failure.

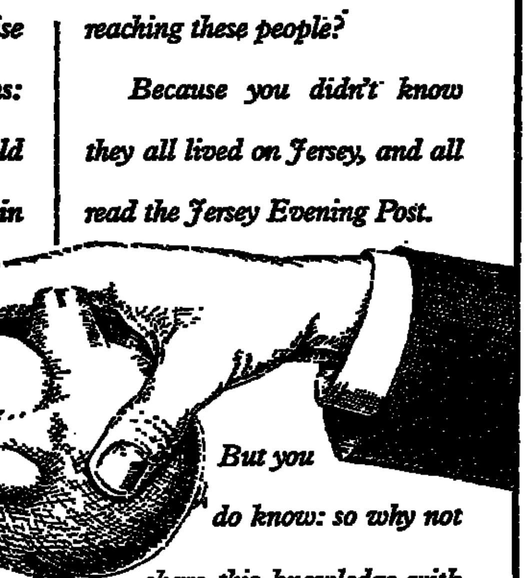
T. Walmsley.
Heriot-Watt University, 31-35, Grassmarket, Edinburgh.

The mail must get through

From Mr G. Darby

Sir,—I would refer to the article regarding the postal services in both London and Moscow (August 25). Mr Rubinov's analysis that the service in a capitalist country is better than a communist country is quite amusing. I live in New York, which must be regarded as one of the most capitalistic cities in the world. I posted a letter from my office at 42nd Street and Third Avenue to a destination at 86th Street and First Avenue (a distance of two miles). The letter took eight days to arrive! There is hope it seems for both the Moscow postal system and communism after all.

G. N. R. Darby,
Considar Inc,
655 Third Avenue, New York, NY 10017.



FINANCIAL TIMES

Thursday September 3 1987

All the president's military men

THE BRAZILIAN armed forces are unhappy. Furthermore, they would like everybody to know *it* and act accordingly.

That was the one unequivocal message to emerge from last week's Cabinet meeting in Brasilia, and it was aimed squarely at civilian politicians working in the Congress, just a few hundred metres from President Jose Sarney's Planalto Palace.

In the 2½ years since the armed forces voluntarily stepped out of the limelight, after more than 20 years of uninterrupted rule, there has been little question of them retreating meekly to the barracks.

Instead, the five military ministers - army, navy, airforce, High Command, and the intelligence gathering National Information Service - have remained a taciturn, sombre power-block, standing like bodyguards just behind the President's shoulders.

Moreover, while publicly dedicated to uphold Brazil's transition to democracy, the military have made clear that they intend to express their dissatisfaction when so inclined.

Last Thursday, General Leonidas Pires Goncalves, the Army Minister, chose to break the silence. Invited to address the Cabinet by the President, the General's remarks were so comprehensively leaked that it can only be assumed the notes were distributed by President Sarney's staff.

Certainly, his message could as easily have been the President's own, though that would have had much less impact.

"The people's politicial wishes and the Government's are being ignored by the Constitutional Assembly," he said, according to a Sao Paulo newspaper. "The majority of Brazilians are moderate and the Assembly is being manipulated by a small group of the radical left."

Other reports had the General

Brazil's army stands firmly behind President Jose Sarney (right), Ivo Dawnay reports from Rio de Janeiro. But it is becoming increasingly outspoken.

describing much of the draft constitution, now under debate in Congress, as "unacceptable" and warning of dire consequences if the wrongs are not put right.

Those consequences, *it is* widely held, do not involve anything so crude as a coup. The armed forces are firmly behind President Sarney, who was himself a long time member of the former government party, Arena, and who has more than once insisted that the military are the only power block that has not given him trouble.

Furthermore, exhausted by the responsibility of power, the prospect of taking over the state during what many fear may be the longest and deepest economic crisis for years is hardly an attractive option. Tanks on street corners offer few solutions to chronic inflation and a $113bn foreign debt.

What, in essence, lay behind the square-jawed, steely-haired General's intervention was a determination to place the armed forces four-square behind an increasingly weak-looking President Sarney. That muscle could be crucial in any forthcoming conflict with the Constitutional Assembly over the presidential mandate or the current moves to reduce his powers by introducing a parliamentary form of government.

The military also have their own particular shopping list of demands as well. First, they are determined that their own re-equipping programme will not suffer budget cuts. Second, they are passionately opposed to a plan, promoted by the left, to offer costly compensation, reinstatement and an amnesty to all those officers dismissed during the military regime for political reasons.

Last, and most important, they are adamant that the wording of the new Constitution should recognise that the armed forces have a duty to uphold "internal security". This law-and-order role formed at least part of the justification for their takeover in 1964 and acts as written authority for their active participation in political debate.

The key issue of the armed forces' role, as determined by the Constitution, explains the ballyhoo that greeted General Leonidas's intervention. But, in the aftermath, only one relatively obscure politician openly dared his democratic credentials, asking: "In the end, who is General Leonidas - and how many votes does he have?"

For most leading political figures, the response was a rapidly convened lunch with the top brass, and an almost indelicate rush to smooth tempers and offer assurances. By the end of the weekend, it was agreed that the military could tolerate some hybrid form of presidential-parliamentarism, provided it did not unduly inhibit executive power.

The General's claim, however, that the Constitutional Assembly has been hijacked by a tightly-knit group of politically motivated men holds little water.

Although the left has won some ground on social issues, the right has dominated the economic chapters of the draft. Above all, the muddled, contradictory, in places even ungrammatical document, has something in it to irritate everybody.

Not only will much debate be needed to knock it into coherent shape, but some are certain to be discomfited in the process.

General Leonidas was last week attempting to ensure that neither the armed forces nor President Sarney will be among the victims of this process. Congress, for the sake of its own credibility, needs to show that it, too, can assert itself. That could, some would say must, involve some whittling down of presidential power.

But as the battle lines are being drawn, the civilians have now to live with the humiliating fact that when the General gave the order - "Attention" - the heels of the civilian leadership clicked in unison.

India moves to ease burden of monopolies legislation

By John Elliott in New Delhi

LEGISLATION has been prepared by the Indian Government to reduce the impact of monopoly and company laws on the operations of businesses and to release several hundred medium-sized companies from restrictions contained in the Monopolies and Restrictive Trade Practices Act.

This is an important step forward in the Government's liberalisation policies which were speeded up by Mr Rajiv Gandhi, the Prime Minister, three years ago.

There have been calls in recent months from the World Bank and India's Planning Commission for further sweeping changes, including the abolition of a 30-year-old industrial licensing system for all but the largest 200 companies.

Mr J. Vengala Rao, the Industry Minister, said yesterday that he wanted to cut industrial controls to a minimum and substantially reduce the impact of the concept of "dominance" in the monopolies legislation which curbs the operating freedom of large and medium-sized companies.

"We are removing many difficulties, so the need for entrepreneurs to come to this ministry for approvals will be removed," he said in an interview.

Mr Rao also said that more than 10 applications for foreign collaborations from car companies would not be dealt with for at least six months, when a new motor policy might be announced.

He was specially concerned about the use of foreign exchange in the collaborations, and said that economic problems caused by India's current drought meant there could be no early decision.

He was also sceptical, without committing himself, about the wisdom of approving an application from PepsiCo to produce Pepsi Cola in India. But the Government had no objections to the company's allied proposal to process and export processed Indian fruit and vegetables.

Industrial policy decisions and initiatives are now being introduced cautiously, partly because of Mr Gandhi's current domestic political problems. There is also increasingly vocal opposition to reforms from the left within Mr Gandhi's own Congress I Party and from other politicians and academics.

They object to liberalised imports and argue that large companies would, if freed from controls, waste foreign exchange and concentrate on producing rapidly profitable consumer goods, rather than items needed for India's development.

Two bills to revise the monopolies and company laws have been prepared.

The monopolies legislation is apparently being held back in the hope that the political climate will improve. This will raise the bottom limit for the value of companies falling within the Monopolies and Restrictive Trade Practices Act (MRTP) jurisdiction from Rs1bn ($72m) probably to Rs2bn. It will also relax "interconnection" rules on companies linked by family ownership, equity stakes, and management.

The limit was last raised, from Rs200m to Rs1bn in March 1985, but the impact was offset by a tightening of the interconnection rules. As a result the number of companies caught within the Act fell only slightly to 1,650.

Mr Rao hopes that this number would fall significantly under the proposed bill, so releasing several hundred companies to benefit from wide ranging cutbacks in industrial controls introduced in the past few years

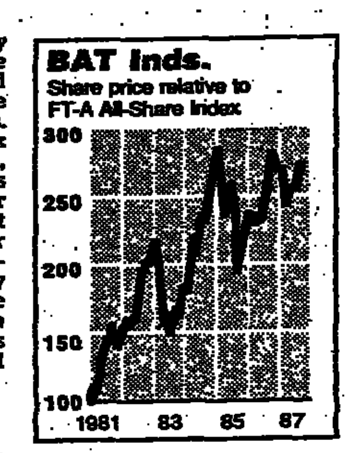
A wide-ranging Companies (Amendment) Bill was tabled in the Indian Parliament late on Monday, just as it went into recess for several weeks, so avoiding immediate debate. This proposes that companies should not need government approval for their managerial appointments and salaries.

It also proposes that the Company Law Board, which controls many company operations and is part of a Government department, should be hived off as an independent organisation.

THE LEX COLUMN

A better quality smoke

For the moment the UK equity market appears to be far more interested in events in Wall Street and Tokyo than the more mundane local economic news. Yesterday the FT-SE 100 Index gave up all of Tuesday's gain, but this was explained away as a predictable hangover after Wall Street's sharp overnight fall rather than any particular concern with the August reserve figures. A potentially more worrying factor is the *heavy bond losses suffered by a* Japanese chemical company. Is this the tip of the proverbial iceberg?



BAT Industries

Yesterday's meagre 3p rise in the BAT share price to 652p, despite interim profits much better than forecast, will have been regarded as merely typical by those analysts who have spent a decade trying to persuade fund managers that the stock is undervalued. There was, however, one slightly false note in the figures, in the form of a sharp rise in what the group terms "smoothed investment performance" - largely, unrealised profits from Eagle Star's investment portfolio.

The argument over BAT's treatment of such profits still runs on, not least among other insurance companies who would dearly love to flatter their figures by the same method. But when the half year figure reaches £109m - 14 per cent of total group trading profits - it sits uneasily with the argument that the move into financial services has improved the group's earnings quality. In a rising market, to buy the shares of a company whose profits are flattered by that rise has a touch of double counting.

On the other hand, the share price may be underplaying the importance of the two US court judgments announced in the last 10 days, which seem significantly to reduce the risk of product liability in cigarettes. Again, although Brown & Williamson's domestic cigarette volume was down by 6 per cent in the first half, the shortfall was more than made up by increased exports to the Far East. There is a lot to be said for tobacco, after all.

William Collins

When Rupert Murdoch acquired Harper and Row, there were those who thought that the *Transatlantic publishing spending spree* was going out of control - the $300m consideration was 80 times earnings. When the William Collins team was brought in on a management contract (with a vague promise of an equity stake), the London market leapt to the conclusion that a News Corp bid for the UK company might be in the offing.

However, while the simple agglomeration of Collins and Harper was considered, it was rejected for yesterday's more inventive route. For less than $170m, Mr Murdoch has acquired an international book publishing empire, part of which still has access to equity funding without placing any onerous burdens on the Australian parent.

An added attraction has to be the off-balance sheet nature of the future Harper under this 50-50 deal. With tangible assets of less than £10m and a total of £180m in goodwill, this particular disappearing act will be followed with interest by the cognoscenti of News Corp's adventurous accounting practices.

Hillsdown Holdings

Judging by the measly 1p rise in the Hillsdown share price, following the better than expected interim figures, the company is still facing a formidable credibility gap. If it was merely the old gripe about the quantity of new paper or the high gearing, a case could be made against the recent derating. However Hillsdown faces the less tractable difficulty that, in the eyes of many investors, it has simply grown too fast and become too opaque. There is insufficient faith in the future quality of earnings.

This anxiety is probably misplaced, but the company would do itself no harm if it could spell out how its imaginative restructuring of the poultry industry is going to be repeated in other sectors. It would also make sense simultaneously to ease the gearing and sharpen the focus with some asset disposals. And if Hillsdown plans to start swallowing larger chunks of the UK food manufacturing industry it would be wise to leave the Maple Leaf Mills acquisition in one piece, so the expected leap forward can be clearly tracked in the one sizeable deal to date.

But considering that earnings growth should remain over 20 per cent in 1988 (despite a rising tax charge) the rating discount to sector and market is too gloomy. Compared to Bunzl - which also reported interim pre-tax profit of £42m yesterday - organic growth is high (at 38 per cent), and rising capital expenditure suggests that if Hillsdown is a simple conglomerate at least it does not share some of the worst habits of that breed. The market, however, remains terrified that any fairer reflection of Hillsdown's value would, before long, trigger another large issue.

Lee International

The Lee International buyout can be most politely described as one for the connoisseur. To begin with, it offers the arresting concept of a leveraged buyout for a company with negative net worth. After writing off the goodwill on the Panavision purchase, Lee's assets will be worth minus £10m or so. Again, a company which went public in London just 17 months ago is to go private with the intention of going public again 18 months hence, this time in the US, and is attracting some £200m of bank finance for the project.

Given a good deal of what is politely known as adverse press comment in the past, it perhaps not surprising that Lee should wish to back out of the limelight. Equally persuasive, evidently, were the hints from the Stock Exchange that gearing up to this extent to buy a company with only two years' trading record is incompatible with a London listing. At least the minority shareholders are being offered cash; the alternative, taking up shares in an unquoted vehicle, rests on the proposition that the new company can raise enough equity to extinguish all its debt with a flotation within 18 months. The whole corporate finance game looks like getting out of hand.

Japanese group's losses hit bond prices

BY YOKO SHIBATA IN TOKYO AND STEPHEN FIDLER IN LONDON

TATEHO CHEMICAL Industries, a Japanese producer of special materials for the electrical industry, appealed yesterday to its banks for financial assistance after revealing investment losses greater than its net assets.

Mr Tadashi Kawabe, the chairman, told a press conference in Osaka that the loss had been suffered on bond futures contracts. He said management of the company's short-term surplus funds had been entrusted to a single executive and had not been adequately supervised.

Japanese government bond prices fell sharply as reports of the losses began to appear and dealers said there was a ripple effect on sentiment in bond and stock markets in Britain and the US.

The announcement came after the official close of the Tokyo markets on Wednesday, so dealers in Tokyo did not have time to react to the news. Rumours that other industrial companies had been similarly affected by the drop in bond prices swept the London markets yesterday.

In London, futures trading in Japanese government bonds was halted because prices had dropped the stipulated Y1 limit. After the market reopened, prices fell further. The December contract for the notional 6 per cent government bonds dropped at one stage two full percentage points from the Tokyo close, to 102.20, before recovering a bit to close at 102.35.

Market concern centres on the practice of *zaitech*, the practice by which Japanese companies invest in bond, stock and futures markets to supplement operating earnings.

Mr Shigeru Senzaki, Tateho's president, said the company had invested some Y100bn ($706m) of surplus funds, mainly in the domestic cash bond and bond futures markets. It had lost Y20bn ($141m) since the bond market began to fall steeply last spring - well in excess of the company's net assets of Y16.5bn.

Tateho Chemical is the first Japanese company to be faced with insolvency as a result of its zaitech activities. It has been known as an active investor in the financial markets, in common with many other Japanese industrial companies whose operating performance, often based on exports, has been badly dented this year by the rise of the yen against the dollar.

However, even if Tateho is an extreme case, the losses seem likely to bring about a reassessment of the quality of zaitech earnings, compared with operating income. This might have a further knock-on effect on values in the Tokyo stock market.

Taiyo Kobe Bank, Tateho's leading bank, said last night that it would do its utmost to keep the company from going bankrupt.

In the financial year to March, Tateho Chemical earned a profit of Y2.2bn on its management of short-term surplus funds - 82 per cent of its pre-tax profits for the year of Y2.65bn.

The plunge in government bond prices which started in May wiped out Tateho's book financial profits, but in an attempt to recoup its investment losses, the company heavily reinvested in bond futures.

The company turned for help to Taiyo Kobe Bank, which also owns a 4.9 per cent stake in the company, but could not stem its losses, Mr Kawabe said. It has asked its bankers for a moratorium on interest payments on its borrowing and for other forms of assistance.

UK group buys Panavision for $100m

BY CLAY HARRIS IN LONDON

TWO OF THE world film industry's leading behind-the-scenes names yesterday got together to co-produce a new twist in the financing of corporate takeovers.

Lee International, the British film lighting manufacturer and supplier, is to buy Panavision, the US camera and lens group, for $100m in cash. The combined group will then be taken private through a leveraged buyout financed by Citicorp, the US bank.

Westward Communications, the buyout vehicle, will have initial debts of up to $340m, at least twice the estimated assets of the combined group.

Although Westward will be controlled by founding family members and directors of Lee, the transaction differs from a conventional management or leveraged buyout because minority shareholders in Lee are to be offered an equity stake in the combined Lee-Panavision group if they do not want to accept Westward's 360p a share cash bid.

The structure is without precedent in the UK, and analysts could not recall any such deals in the US or other markets.

It was devised after the Stock Exchange indicated that the enlarged group would not be able to retain its listing because of the combination of Panavision's short record as an independent company - it was bought from Warner Communications only two years ago - and its relative size to the original Lee group.

Westward intends to seek a US listing within 18 months and return to London "as soon as practicable" after that.

As well as having no market for their shares, Lee shareholders who accept the share offer face high earnings dilution in the short to medium term, Westward warned.

The UK company was founded in 1961 by Mr John Lee and Mr Benny Lee, brothers who were both lighting technicians. It manufactures lighting equipment, supplies 80 per cent of the UK rental market (for outside broadcast crews as well as equipment) and is the leading British operator of film stages.

Lee plans production links between its US-based Mitchell Camera and Panavision, which was founded in 1954 and achieved early success with its anamorphic lenses - without which Hollywood's wide-screen epics would have been impossible.

Panavision has only rented - never sold - its products, which included the Panaflex, the first silent portable sound camera introduced in 1972. In 1986, Panavision achieved pre-tax profits of $2.5m on turnover of $29.1m, compared with Lee's £6.7m pre-tax on turnover of £38.1m in the year to May 1986.

The 360p cash bid is precisely twice the price at which Lee came to market with a share offer in April 1986. Lee shares returned from a week-long suspension yesterday to close 68p higher at 338p.

Rust 'wanted peace talks'

Continued from Page 1

Defence. A further 18 generals were retired.

Mr Rust's trial is taking place in the grey building which houses the Soviet Supreme Court in Borovsky in Central Moscow. Mr Rust was taken there from Le Sorgovo prison yesterday. His mother, Mrs Monika Rust, said her son had "noble ideals" but lacked experience.

Banks again support weak dollar

Continued from Page 1

than an effort to reverse the dollar's recent fall.

The intervention succeeded in limiting the dollar's losses - it closed in London above the psychological DM2.80 level - but did little to dampen market speculation that the US currency faced the prospect of a further decline over coming weeks.

Bearish sentiment towards the dollar has been heightened in recent days by the US Administration's public acknowledgement that there is little possibility of a sizeable reduction in the US trade deficit this year from 1986's $156.2bn.

European and Japanese monetary officials insist that last February's Louvre agreement, committing the major industrial countries to promoting exchange rate stability, remains in place. That accord said that governments believed that exchange rates were broadly consistent with economic fundamentals.

The officials say that the US Federal Reserve has kept its part in the agreement, intervening earlier this week to support the dollar against the yen.

Some monetary officials privately acknowledge, however, that there has been some shift in the economic fundamentals since the February agreement in the direction of a slightly weaker dollar.

World Weather

		°C	°F
Ajaccio	F	28	82
Algiers	F	28	82
Amsterdam	C	19	66
Athens	S	31	88
Bahrain	S	37	99
Bangkok	S	33	91
Barcelona	S	27	81
Beirut	S	28	82
Belfast	S	17	63
Belgrade	S	28	82
Berlin	S	23	73
Biarritz	F	23	73
Bombay	F	31	88
Bordeaux	F	23	73
Brussels	C	20	68
Budapest	F	22	72
B. Aires	S	17	63
Cairo	S	34	93
Cape Town	S	16	61
Caracas	C	29	84
Casablanca	S	24	75
Chicago	C	22	72
Cologne	S	22	72
Copenhagen	S	19	66
Corfu	S	31	88
Dallas	S	[illegible]	[illegible]
Dublin	F	16	61

		°C	°F
Dubrovnik	S	28	82
Edinburgh	F	15	59
Faro	S	27	81
Florence	S	29	84
Frankfurt	S	23	73
Funchal	S	25	77
Geneva	S	24	75
Gibraltar	S	28	82
Glasgow	F	17	63
Guernsey	C	17	63
Helsinki	F	12	54
H. Kong	F	28	82
Innsbruck	S	24	75
Inverness	F	15	59
Islamabad	-	-	-
Istanbul	S	25	77
Jakarta	-	-	-
Jersey	C	20	68
Jo'burg	S	23	73
Lima	-	-	-
Lisbon	S	25	77
London	C	19	66
Los Angeles	S	19	66
Luxembourg	C	20	68
Madrid	S	27	81
Majorca	S	30	86
Malaga	S	28	82

		°C	°F
Malta	S	28	82
Manchester	F	18	66
Manila	-	-	-
Melbourne	C	12	54
Mexico City	-	-	-
Miami	F	27	81
Milan	S	27	81
Montreal	S	11	52
Moscow	F	12	54
Munich	R	20	68
Nairobi	F	27	81
Naples	F	30	86
Nassau	-	-	-
New Delhi	S	34	93
New York	S	17	63
Nice	S	26	79
Nicosia	-	-	-
Oporto	S	21	70
Oslo	S	18	64
Paris	C	23	73
Peking	S	28	82
Prague	F	19	66
Reykjavik	S	9	48

		°C	°F
Rhodes	S	27	81
Rio de J'o	-	-	-
Rome	S	28	84
Salzburg	F	21	70
San Francisco	F	14	57
Seoul	F	27	81
Singapore	S	32	90
Stockholm	S	17	63
Strasbourg	C	22	72
Sydney	S	17	63
Taipei	-	-	-
Tangier	S	25	77
Tel Aviv	S	31	88
Tenerife	F	28	82
Tokyo	F	28	82
Toronto	C	12	54
Tunis	T	28	82
Valencia	F	27	81
Venice	S	26	79
Vienna	S	23	73
Warsaw	S	20	68
Washington	S	17	63
Zurich	S	23	73

Readings at mid-day yesterday
C-Cloudy D-Drizzle F-Fair Fg-Fog H-Hail R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

Iran steps up attacks on tankers

Continued from Page 1

mium for ships sailing to Kuwait, which have been repeatedly threatened by Iran, was raised to 0.75 per cent of the insured value of the vessel's hull from 0.5 per cent per 14-day voyage.

Oil markets, however, were relatively unmoved. In London, the price of Brent crude was steady, closing up 2.5 cents at $18.45 per barrel, while on the New York Mercantile Exchange, West Texas Intermediate for October delivery edged up 1 cent to $19.64.

In Washington, US officials said they were continuing to press Iraq to halt its attacks, which appear to have upset international efforts to coax Iran into considering July's United Nations Security Council resolution calling for a ceasefire in the Gulf war. But Iraq has so far rejected all such pressure, arguing that the lull in the tanker war had enabled Iran to bolster its economy by shipping substantial amounts of extra oil.

The State Department has been attempting to focus attention on Iran's prevarication over the UN ceasefire call, saying that if Tehran does not accept it definitively by the end of this week, Washington will press for a mandatory global ban on arms sales to Iran.

The Soviet Union, however, made clear yesterday that it would not back such a call. Mr Vladimir Petrovsky, the Soviet Deputy Foreign Minister, said that Iran should be given more time to comply with the ceasefire and urged the US to withdraw its warships from the Gulf in order to reduce tension.

SECTION II - COMPANIES AND MARKETS
FINANCIAL TIMES
Thursday September 3 1987

Fletcher Challenge jumps by 48% to NZ$355.1m

BY DAI HAYWARD IN WELLINGTON

FLETCHER CHALLENGE (FCL), the New Zealand-based international forestry conglomerate, yesterday became the first New Zealand company to achieve a net profit of more than NZ$300m (US$179.8M).

Sir Ron Trotter, chairman, said the company earned NZ$355.1m – a 48 per cent increase over last year.

FCL's North American operations contributed almost NZ$147m, or 41 per cent, reflecting the group's rapidly expanding international activities.

Fletcher Challenge also set a New Zealand record with direct export sales NZ$661m, up 47 per cent, and another NZ$654m in indirect exports. This means Fletcher Challenge is now involved in 11.2 per cent of New Zealand's total exports.

With its combined New Zealand and North American operations, Fletcher Challenge is now second in world newsprint production and, although there are several other companies of similar size, also second in pulp production.

About NZ$20m of last year's profits were earned in the second half of the financial year. This was more than the entire record profit for the whole previous year – an indication of prospects for 1988.

Earnings per share were 48.9 cents last year, making an average yearly compound growth rate over the past five years of 22 per cent.

Major offshore expansion included the purchase of 48 per cent of British Columbia Forest Products, a NZ$50m investment in the Chilean forest industry, the acquisition of 80 per cent of Pacific Construction of Hawaii and further investment in the Australian construction company, Jennings Industries.

Since the June balance date, the group has also acquired 66.66 per cent of the Seattle-based construction company, Wright Schuchart and lifted its holding in Pacific Construction to 100 per cent. It also acquired 49.9 per cent of the Australian company Kailis and France for Fletcher Fishing.

The company's New Zealand forestry arm, Tasman Pulp and Paper, recorded a loss of NZ$12.4m.

The company has declared a final dividend of 13 cents making 23.5 cents a share for the year.

Elscint narrows losses but falls short of performance forecast

BY JUDITH MALTZ IN TEL AVIV

ELSCINT, the Israeli manufacturer of medical diagnostic equipment, has narrowed its losses in the 12 months to March 1987 to $51m, after record losses of $116m in the previous year.

A major reorganisation programme was implemented in 1985/86 and the company had optimistically forecast a return to the black by the end of 1987. However, it said yesterday that: "There was more to be cleared away than we had anticipated."

Elscint officials said the total loss figure included $22m in one-time write-offs associated with the discontinuation of its conventional X-ray line, the closing of some facilities in Israel and the US, and the final settlement of outstanding claims.

But they said most of the loss was attributable to the "past operations of the company," meaning the mismanagement and overexpansion which characterised it several years ago.

To correct this the company had adopted a strategy of focusing on more profitable product lines, such as magnetic resonance imaging systems and ultrasound equipment.

Elscint, whose shares are traded on the New York Stock Exchange, reported a 7.2 per cent increase in its net revenues for the year to $133m, compared with the previous year.

It also said an agreement had been signed late last month with its bank creditors, providing for additional restructuring of its debts.

Last December, the banks agreed to write off $80m in debt and reschedule another $50m. Under the recent agreement a further $30m in long-term debts has been cancelled.

As a precondition for signing this agreement, the Israeli consortium of bank lenders had insisted that a foreign investor be actively sought for Elscint.

An Elscint official yesterday justified this demand on the grounds that in order to survive, Elscint needed more capital than it could raise in Israel.

After writing off a significant portion of its investment in Elscint last year, Elron Electronic Industries, its largest shareholder, holds 30 per cent of the company's ordinary shares. Because of the debt rescheduling agreement signed late last year, the banking consortium holds another 25m shares in warrants.

Mr Uzia Galil, Elron's president, would not rule out relinquishing control of Elscint to foreign hands.

US insurer expects to contain AIDS cost

By Andrew Baxter in London

TRANSAMERICA, the large US insurance and financial services group which was one of the first companies to insist on AIDS tests for prospective life insurance clients, said yesterday it did not expect the disease to have a significant impact on its future business prospects.

The question of how the life insurance industry should address the spread of AIDS has caused controversy in the US and UK in recent months.

Yesterday Mr James Harvey, Transamerica's chairman and chief executive, said AIDS support groups in the US were trying to lobby against testing (because of its discriminatory implications), but the industry had "fought very hard about this, because you just can't write life insurance without testing for AIDS."

Transamerica said publicly two years ago that it would not write life insurance in political jurisdictions which did not allow AIDS testing, and because of this does no life business in the District of Columbia.

Last year, Transamerica's AIDS claims were less than in 1985, and the company's actuaries believe future claims should be offset by reduced mortality from cancer and coronaries.

"Fortunately, a lot of people who get AIDS are not in the life insurance market, such as drug users," Mr Harvey noted. The industry was now "gearing up to handle the problem."

Transamerica was in London as part of efforts to convince investors that – following a recent major restructuring – it should be viewed more as a financial services concern than a lower-rated insurance group.

Daihatsu Motor helped by brisk small-car sales

BY YOKO SHIBATA IN TOKYO

DAIHATSU MOTOR, the car manufacturer belonging to the Toyota Motor Group, posted favourable sales and profit growth in the year to June 1987, thanks to brisk sales of small passenger cars on the domestic market.

Pre-tax profits were 9.7 per cent higher, at Y9.06bn ($62m). The earnings improvement was attributed to the effects of streamlining and lower material costs, as well as increased sales.

Overall turnover advanced by 4 per cent, to Y557.63bn. Daihatsu sold 739,000 passenger cars and vans during the year. The company has changed its business year from July-June to April-March. As a result, its current accounting term will cover only nine months.

The company did not make business forecasts for the irregular accounting term, but Mr Tomonaru Eguchi, president, said Daihatsu hopes to achieve the same levels of pre-tax profits and sales as in the preceding year on an annual basis.

● Sumitomo Rubber Industries, which took over Dunlop Tyre's European and US operations earlier in the 1980s, reported a 34.7 per cent gain in pre-tax profits to Y2.23bn ($15.3m) in the first half of 1987.

Net profits were up by 81 per cent to Y1.1bn. The company attributed its strong growth in earnings to reduced material costs stemming from the strong yen.

Half-year turnover, however, slipped by 2.7 per cent to Y93.58bn. Sales of car tyres, representing 74 per cent of sales, fell by 8 per cent, reflecting sluggish vehicle exports. The interim dividend was unchanged, at Y3 per share.

For the second-half of the current year, the company intends to boost non-tyre sales.

Full year pre-tax profits are projected at Y4.2bn, up by 21.5 per cent from the previous year, on turnover of Y192bn, up by 0.8 per cent from the previous fiscal year.

PLM boosted by restructuring

BY OUR STOCKHOLM STAFF

PLM, the Swedish packaging group, reported a strong surge in profits (after financial items) to SKr112.2m ($17.7m) in the first six months, compared with SKr42.9m in the comparable period last year.

The improvement results from PLM's restructuring last year which included job cuts, factory closures and improved productivity measures. These have led to strong increases in the earnings of the metal, glass and plastics divisions.

Group invoiced sales rose by 10.8 per cent to SKr2.1bn compared with SKr1.9bn in the previous year. The increase came mainly from the acquisition of a small West German plastic packaging company at the beginning of the year, while sales

PLM says it expects conditions in its main markets – Scandinavia, West Germany and the Benelux countries – to remain stable, despite the bad summer weather which affected sales of drink containers.

Profits in the second-half of 1987 are expected to be about the same as in the second-half of 1986.

Gillette sells Dupont stake

BY DAVID DODWELL IN HONG KONG

DICKSON CONCEPTS, a Hong Kong group best known as a wholesaler and retailer of luxury fashion accessories and watches, yesterday agreed to pay Gillette of the US about US$52m in cash for its 98.3 per cent holding in the worldwide operations of S.T. Dupont, which makes cigarette lighters, stationery and leather goods.

Dickson said discussions were continuing with holders of the remaining 1.7 per cent of S.T. Dupont, which had worldwide sales last year of about US$500m. He did not disclose how the cash payment would be funded.

Dickson Concepts was founded in 1980 by Mr Dickson Poon when he opened a single retail shop in Hong Kong selling Chopard, Rolex and other luxury brand watches, as well as clothes, leather goods and accessories carrying the Charles Jourdain label.

It was publicly floated on the Hong Kong stock exchange about 18 months ago. In the 14 months to December 30 1986, it earned net profits of HK$41.8m (US$5.4m)

Newmont may reply to bid

By Nikki Tait in London

NEWMONT MINING – the US gold mining and natural resources group for which a consortium led by Texas oilman, Mr T. Boone Pickens, has announced plans for a $6bn bid – said yesterday it is discussing the matter with its advisers and does not expect to respond until the end of next week.

Mr Pickens indicated his intention to bid $95 a share for Newmont on Monday but has yet to make a formal tender offer.

Gencorp to sell drinks bottling division

By James Buchan in New York

GENCORP, the Ohio-based conglomerate which is drastically restructuring its activities, has found a buyer for its soft drink bottling operations for $395.5m. However, the company said PepsiCo was seeking to block the sale of the bottling operations, which mainly comprise Pepsi-Cola franchises.

The bottling operations, which had operating profits of $21m on sales of $205m last year, are being sold to IC Industries, a Chicago company that owns the Illinois Central Gulf Railroad, a large pet foods business and its own Pepsi bottling companies.

GenCorp said both companies had filed suit to stop PepsiCo from blocking the sale.

GenCorp wants to concentrate on its defence and aerospace operations and a plastics business. It put its original General Tire & Rubber business and its bottling operations up for sale last spring to pay for a $1.6bn stock repurchase programme to fend off a hostile takeover.

In June, Continental of West Germany paid $650m for the tyre business.

However, GenCorp is having serious difficulty in shedding its RKO entertainment subsidiary.

Allied Arab Bank profits decline

By David Lascelles

ALLIED ARAB Bank, the London-based consortium bank owned by Middle East interests and Barclays Bank, earned profits of £2.85m ($4.7m) in the first half of this year before tax and general provisions.

This marked a decline from earnings of £2.95m in the same period last year and was due to the fall in interest rates and the cost of establishing new subsidiary operations.

Amgold declines and warns on strike

BY JIM JONES IN JOHANNESBURG

ANGLO AMERICAN Gold Corporation (Amgold), the gold investment arm of South Africa's Anglo American group, suffered a small drop in investment income in the half year to August 31 even though dollar and rand gold prices were higher. First half investment income dropped to R172.6m ($83.36m) from R175.4m in the corresponding period of 1986 and pre-tax profit slipped to R168.1m from R169.7m.

Dividend income totalled R383.2m in the year to February 28 1987 and the pre-tax profit was R373.3m.

The directors are cautious on prospects for the second half and warn that results will be affected by the three-week strike by black miners. Anglo American's mines were the worst affected by the strike and Johannesburg mining analysts believe their earnings will be particularly badly affected this quarter. Amgold's interim earnings declined to 759 cents a share from 768 cents and the interim dividend has been maintained unchanged at 700 cents. Last year's earnings were 1,697 cents and a total dividend of 1,600 cents was paid.

Sasol income hit by lower prices and rising costs

BY OUR JOHANNESBURG CORRESPONDENT

LOWER CRUDE OIL prices and high inflationary cost increases combined to cut Sasol's profits in the year to June 27 1986. The attributable profit dropped to R526m ($254m) from R575m

Prices of Sasol's coal-based petroleum products are controlled and calculated with reference to international crude oil prices. The company does not disclose production details nor does it disclose turnover and operating cost details.

The directors say, however, that production increased at the Sasol Two synfuels plant but that coal mining costs increased at a high rate and that demand for fertilisers dropped.

The Sasol Three synfuels plant is less diversified than Sasol Two and, as a result, suffered a sharp profit drop as liquid fuels prices fell.

The directors are cautious on immediate prospects, as crude oil prices remain weak. However, they believe the dividend will not be cut, as the company can draw on reserves. Earnings dropped to 93.5 cents a share in the year just ended, from the previous year's 102.3 cents. However, the total dividend was lifted to 47.5 cents from 45 cents.

Trust Bank lifts earnings

TRUST BANK, South Africa's fifth-largest banking group, increased its disclosed taxed profit to R47.8m ($23m) in the year to June 30 1987 from R39.2m in the previous year, writes Our Johannesburg Correspondent. The profit increase is proportionately greater than those reported by competitors Standard and Barclays, which have both been affected by little or no growth in demand for credit.

However, Trust discloses profits after transfers to or from hidden reserves. Advances rose marginally, to R5.93bn, on June 30 1987, from R5.87bn

Disclosed earnings were 36 cents a share, against 29.5 cents, and the year's dividend has been raised to 10.5 cents from 16.7 cents. Trust Bank is controlled by Sanlam, South Africa's second-largest insurance company.

Foreign brokers to be offered NTT stake

By Yoko Shibata in Tokyo

The Finance Ministry plans to allocate to foreign brokerage houses about 85,000, or nearly 4.5 per cent, of the 1.95m Nippon Telegraph and Telephone (NTT) shares to be sold by the Government in November as the second tranche of the NTT share offering.

Twenty-one major Japanese brokerage houses will be included in the main underwriting syndicate, with up to 10,000 shares expected to be offered to investors by each of seven foreign brokers — Merrill Lynch, Morgan Stanley, Goldman Sachs, Salomon Brothers and First Boston of the US, as well as S. G. Warburg and Kleinwort Benson of Britain.

The ministry also intends to invite 28 other foreign securities houses with underwriting licences to join a sub-syndicate to sell NTT shares. Some leading foreign brokerage houses express strong dissatisfaction over their exclusion from the main NTT share underwriting syndicate.

Shares were initially to be allocated on the basis of share sales during the first tranche of the offering, last autumn. However, the ministry decided to set aside a special quota of 1.95m shares for foreign brokers, in attempt to forestall renewed trade friction with foreign countries.

The NTT law prohibits foreigners from owning NTT shares. However, the Finance Ministry and the Ministry of Posts and Telecommunications interpreted the NTT share underwriting by foreign brokerage houses as a temporary — and hence not illegal —shareholding.

The seven foreign brokerage houses are not allowed to sell NTT shares underwritten by them to foreign investors. They are also unable to sell NTT shares to leading domestic institutional investors but only to individual Japanese investors. This is because NTT has decided to allot shares to such long-term shareholders as financial institutions and business corporations in a bid to stabilise share prices.

Ahead of the second tranche of NTT share sales, due in November, NTT is canvassing institutional investors to buy 390,000 shares, about 20 per cent of the government-held 1.95m shares, valued at Y1,000bn.

GEC plans to dispose of stake in Indian offshoot

BY JOHN ELLIOTT IN NEW DELHI

GENERAL ELECTRIC of the UK has joined the growing list of British companies selling major stakes in their Indian offshoots to members of the country's leading business families.

It has agreed that GEC India, a 67 per cent owned subsidiary, should sell a large proportion of its stake in Genelec, an electric lighting company, to a branch of the New Delhi-based Modi family of companies for about 56m rupees ($4.3m).

The cash will be used by GEC India to finance a rapid expansion and modernisation of its electrical engineering and electronics business, which in 1986-1987 had a 1.06bn rupee turnover. Genelec had a 750m rupee turnover last year, with pre-tax profits of 25m rupees.

Various branches of the Modi family already have several foreign link-ups, including Rank-Xerox copiers, Olivetti computers, Blue Circle cement, and Champion spark-plugs.

Subject to government approval, Mr K. K. Modi, who is promoting the Genelec deal, will purchase a 24.9 per cent stake in Genelec from GEC India. Initially he intends to use three subsidiaries of his Phillip Morris cigarette joint venture called Godfrey Phillips. GEC India's stake will drop from 33 per cent to 8.1 per cent.

Other British companies which have sold equity stakes and handed over some degree of management control to Indian companies recently include Chloride, GKN and Fenner.

Most of the companies have sold out because of a lack of spare financial and managerial capacity in the UK.

MPH losses grow at halftime

BY WONG SULONG IN HONG KONG

MULTI-PURPOSE HOLDINGS (MPH), the financially troubled Malaysian Chinese investment group, has revealed a larger pre-tax operating loss of 12.2m ringgits ($4.9m) for the six months to June, compared with a loss of 4.6m ringgits previously.

The group said the results "reflect the continued difficult operating environment experienced by most of the group's businesses."

MPH has already made substantial provisions in the past two years against depreciation

The group reported an extraordinary profit of 22m ringgits from the sale of assets, which brought profit after tax and extraordinary earnings to 2.5m ringgits, compared with a loss of 13.5m ringgits.

Directors say they expect difficult conditions to prevail.

INTERNATIONAL CAPITAL MARKETS and COMPANIES

Volkswagen profits rise 7% at six-month stage

BY HAIG SIMONIAN IN FRANKFURT

GROUP PROFITS at Volkswagen, Europe's biggest car producer, rose by 7 per cent to DM 304m ($168m) in the first half of 1987 against DM 284m for the same period last year.

VW's group turnover went up by 4.5 per cent to DM 27.6bn, despite slightly lower vehicle deliveries to dealers, thanks to good sales in Europe and the continuing trend towards higher value and better equipped models.

Sales and profits for 1987 as a whole should remain around last year's levels, said VW. New registrations in Germany seem likely to sustain last year's high level, while second half sales in the rest of Europe should settle slightly above the level already recorded for the first six months of this year. However, the US and South American market is likely to remain difficult.

Total deliveries fell by 0.9 per cent to 1.45m against 1.46m in the first half of last year. Domestic deliveries rose strongly by 16.5 per cent to 498,000 vehicles, while foreign deliveries dropped 8.1 per cent to 950,000 against a little over 1m in the first half of last year. However, VW's sales to European dealers were 6.1 per cent higher this time round.

Overall production showed a broadly similar trend; VW produced 889,000 vehicles at home —1.5 per cent up on the first half of last year. By contrast, foreign production fell by 2.4 per cent to 589,000, leaving total output 0.1 per cent lower at 1.48m vehicles.

However, actual deliveries to customers fell by 2.2 per cent to 1.4m on account of lower sales of VW, Audi and SEAT models in north and south America, said the group.

Kuwait in Spanish chemical deal

BY DAVID WHITE IN MADRID

THE KUWAIT Investment Office (KIO) has taken up a key position in the Spanish chemical industry through an indirect holding in a second major group in the sector, the Barcelona-based Cros.

Torras Hostench, the paper company 37 per cent owned by KIO and the spearhead of its latest investment drive in Spain, announced a co-operation agreement with Cros based on the purchase of a 15 per cent holding for an estimated Pta 8bn ($65.6m).

The shareholding, which includes 9 per cent acquired from Cros's previous main shareholder, Banco de Santander, is identical to the stake Torras Hostench bought in July in Union Explosivos Rio Tinto (ERT).

ERT and Cros are the two largest Spanish-owned chemical groups, and the move is expected to ease the way towards a merger of their fertiliser activities. This joint company, to be called Fosforico Espanol, will be one of the leading European concerns in the field and is the key element in a government-backed plan for reorganising the fertiliser industry.

The agreement between Torras and Cros provides for a one-for-one capital increase at the chemical group, which Torras will guarantee. The operation is expected to be made at 600 per cent of par, which would mean bringing in Pta 51bn in fresh funds—similar to a Pta 55bn capital increase made recently by Torras itself.

The two companies said this would enable Cros to wipe out its debt of about Pta 30bn and to start an ambitious expansion programme. The savings on financial costs would have instant effect on Cros's results, which in the first half of this year showed a loss of Pta 257m.

Modest improvement for Italian bank

BY ALAN FRIEDMAN IN MILAN

NUOVO BANCO Ambrosiano (NBA) yesterday unveiled a modest 3.9 per cent rise in gross operating profit for the first six months of this year to L136.4bn ($104.2m).

The first-half profit comes after a difficult six months for many Italian banks. Nuovo Ambrosiano said yesterday it was still expanding during this period, however, and opened three new branches to reach a total of 125 branches, mainly in Northern Italy.

NBA's interest income increased from L196.7bn to L206.5bn for the six months. Share trading profits were up from L27.1bn to L31.9bn. Fee income from banking services rose from L22bn to L28bn.

Nuovo Ambrosiano's outstanding loan book stood at L4,100bn at June 30, up by 20.3 per cent on June 1986, but only by 4.3 per cent on last December.

NBA, the successor to the failed Banco Ambrosiano, was originally formed in August 1982 by a consortium of public and private banks.

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Closing prices on September 2

US DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Abbey National 7½ 92	200	†92¼	92⅝	−0⅝	−1½	9.46
All Nippon Air 9⅝ 97	100	94¼	94¾	−1⅛	−2⅛	10.28
American Brands 8⅞ 92	150	96¼	97¼	−0⅝	−1⅛	9.46
A/S Eksportfinans 7⅝ 93	100	90⅝	91¼	−0⅝	−1¼	9.61
A/S Eksportfinans 7¼ 92	150	91⅞	92⅜	−0⅝	−1⅞	9.50
BP Capital 9¼ 94	150	†99⅝	99⅞	0	−0⅝	9.29
British Telecom 7⅝ 96	250	86¼	86¾	−0⅞	−2⅛	9.94
British Telecom 8⅞ 94	150	†96¼	96¾	−0½	−0½	9.58
Campbell Soup 10½ 95	100	103¾	104¼	−0⅝	−1⅛	9.76
Canada 9 96	1000	96	96½	−1⅛	−2⅛	9.65
Canadian Pac. 10¼ 93	100	103⅝	103¾	−0⅛	−0⅝	9.91
CCCE 7⅝ 91	113	92⅝	93	−0¼	−1⅛	9.34
CRCA 7¼ 91	150	—	—	—	—	—
Citicorp 8¼ 93	200	†90¼	91¼	−0½	−2⅛	10.33
Credit Lyonnais 9 91	200	99⅛	99⅝	−0½	−1⅛	9.18
Credit National 7⅞ 92	100	93⅛	93⅝	0	−0⅝	9.13
Credit National 7¼ 91	150	95¼	95⅝	−0½	+0⅝	8.56
Denmark Kingdom 7½ 92	500	91	91½	−0¼	−1⅛	9.58
Denmark Kingdom 8¼ 91	300	96¼	96¾	−0¼	−1⅛	9.40
EEC 7 91	100	92½	93⅛	−0⅝	−1½	9.21
EEC 7¼ 93	250	90¾	91¼	−0½	−1½	9.40
EEC 8¼ 96	100	90⅝	90⅞	−1½	−2⅞	9.88
EIB 7⅝ 93	100	90⅝	91	−1¼	−2⅛	9.67
EIB 9⅝ 97	150	95⅞	96¼	−1⅝	−1⅝	10.00
Finland 7½ 97	200	86⅛	86¾	−1⅛	−2⅞	10.15
Finland 7½ 93	200	90⅞	91¼	−0⅞	−1⅞	9.50
Ford Motor Cred. 10½ 91	150	103⅝	103¾	−0⅝	−1½	9.43
Ford Motor Cred. 11⅜ 90	100	104½	105¼	−0½	−1⅛	9.87
Gen. Elec. Cred. 10¼ 00	200	102⅛	102⅞	−0⅞	−0⅝	9.88
GMAC 8¼ 89	200	99½	100¼	−0⅝	−0⅝	8.38
Hoesch 8¼ 97	100	90⅝	91¼	−1½	−2¼	9.74
Hoesch 7⅝ 92	100	93⅝	94⅛	−0¼	+0⅛	9.05
Hoesch 7⅞ 94	300	91⅛	91⅞	−1⅛	−2	9.64
Liberty Mutual 8½ 96	150	†91¼	91⅝	−0¼	−3	10.00
LTCB of Japan 8 91	100	95⅛	95⅞	−0¼	−1	9.37
LTCB of Japan 8 97	200	86⅝	86¾	−1⅛	−3¼	10.30
Mercds.-Benz Cred. 7½ 93	100	92⅝	93	−0⅝	−1⅛	9.16
Mercds.-Benz Cred. 8⅝ 92	100	98¼	98¾	−0½	−0⅝	9.63
Mitsubishi Fin. 7⅞ 93	100	†90⅛	90⅝	−0⅞	−2⅛	9.99
Mutual America 7½ 92	100	93⅛	93⅝	−0⅝	−0¼	9.53
Norway Kingdom 7¼ 91	500	94	94½	−0⅝	−0⅝	9.06
Pepsico Inc. 7⅛ 93	200	†91	91½	−0⅝	−1⅛	9.41
Prudential Corpn. 8¼ 94	125	†95½	96	−0⅝	−1½	9.41
Qantas Airways 10⅝ 95	140	†100¾	101¼	−1	−2¼	10.17
Queensland Govt. 10¼ 95	100	99⅞	100⅛	−1½	−2½	11.22
Ralston Purina 11¼ 95	150	106⅛	107⅛	−0⅝	−1⅞	10.36
Saab Scania 9½ 91	125	99¼	100¼	−0⅝	−1½	9.46
Saskatchewan 10⅝ 92	100	104¼	104¾	−0½	−1¼	9.44
State Bk. S. Aust. 9¼ 93	100	97⅛	97⅝	−0¼	−1¼	9.87
Statoil 10 90	170	102	102⅛	−0⅛	−0⅝	9.14
Swed. Exp. Cred. 7¼ 91	100	†93¼	93¾	−0¼	−0¼	9.13
Swed. Exp. Cred. 10 92	100	102½	103	−0⅝	−1⅛	9.26
Sweden 7 91	250	93	93½	−0½	−1⅛	9.05
Sweden 7 92	250	92⅛	92⅝	−0⅛	−1¼	9.14
Sweden 8¼ 96	200	94⅝	94⅞	−0⅝	−1½	9.68
Sweden 8½ 92	200	95¼	96¼	+0⅛	+0⅛	9.58
Taiyo Finance 7⅞ 94	100	†89⅛	89½	−0¼	−2	10.06
Toyota Motor Cred. 8 89	100	†99⅛	99⅝	−0¼	−1⅛	8.35
Toyota Mtr. Cred. 7⅛ 92	150	†91¼	91¾	−0½	−1⅛	9.56
Victorian Rep. 11⅝ 92	150	106⅝	107⅛	−0¼	−1⅛	9.69
World Bank 7 92	300	92⅛	93	−0½	−0⅛	9.08
World Bank 9 97	300	94	94½	−1⅛	−3¼	9.29
Yasuda Tst. Fin 8½ 93	100	†93¾	94¼	−0⅛	−1	9.89

Average price change on day −0⅝ on week −1½

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Arab Banking 5½ 92	150	96¾	97¼	0	−0¼	6.23
Avis Fin. Ser. 5⅞ 92	100	99½	100	0	+0¼	5.95
Bank of Greece 6½ 95	150	97	97⅝	−0¼	−0⅛	6.96
Bank of Tokyo 5¾ 95	100	99	99½	0	+0¼	5.90
BMW 5¼ 96	200	91¼	92	−0¼	+0⅛	6.54
Degussa Int. 6⅛ 97	200	94⅝	95¼	0	−0⅛	6.83
EIB 5½ 98	150	88⅝	89⅛	—	−0⅛	6.96
EIB 6 97	300	95⅛	95⅝	−0⅛	−0⅛	6.65
EIB 6⅛ 96	300	96	96¼	0	−0⅛	6.68
EIB 6½ 97	400	96	96⅝	−0⅛	0	6.66
EIB 6⅞ 95	300	100⅝	101⅛	+0⅞	−0⅛	6.69
Euro. Coal & Steel 5⅞ 97	175	93	93⅝	−0⅛	−0⅛	6.84
Eurofima 6¼ 96	100	96⅞	97⅜	−0⅛	−0⅞	6.65
Elec. de France 5¾ 97	300	92⅛	92½	0	+0¼	6.86
Hoesch Intl. Fin. 7 95	100	100⅛	101⅛	−0½	+0½	6.83
IADB 6 97	200	93⅛	94¼	0	0	6.88
IBJ 5⅝ 96	200	91¼	92½	+0¼	+0⅛	6.86
Japan Finance 5⅞ 97	100	92	92⅝	0	−0½	6.86
Ireland 6½ 97	300	96¼	96⅞	+0⅞	+0⅛	7.02
Korea Dev. Bank 6⅞ 95	100	100⅝	101¼	+0⅝	−0¼	6.43
Malaysia 6¼ 94	150	97⅛	97⅝	+0⅛	+0⅛	6.69
Mitsubishi M. 3¼ 89 XW	100	95¼	96	0	−0¼	5.38
Portugal 5¾ 92	150	99¼	100	0	0	5.94
Portugal 6⅛ 95	150	99¼	100	0	+0⅛	6.68
Royal Insurance 5½ 92	300	100⅛	100⅝	+0⅛	+0¼	5.35
Statoil 6¼ 97	200	94⅝	94⅞	−0¼	−0¼	7.05
Soc. Cent. Nuclear 7¼ 95	150	102⅛	103	−0⅛	−0⅛	6.90
Soc. Cent. Nuclear 8 92	100	104¼	105	−0⅛	+0⅛	6.58
Sterwens 5½ 96	100	93⅛	94	−0⅛	+0⅛	6.48
Tokyo Elec. Power 6 97	300	92¼	93⅛	−0¼	−0½	7.03
World Bank 6¼ 97	600	95½	96⅛	+0¼	−0⅛	6.88

Average price change on day +0⅛ on week −0⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
African Dev. Bk. 5⅝ 96	100	†102½	102½	0	+0½	5.27
Amer. Corpn. 5¼ 01	200	90½	90½	−3¼	−3	6.36
Asfinag 5 02	250	†97½	97¼	0	0	5.25
Carlsberg 5 96	50	†101	101¼	−0½	−0¼	4.84
Chujitsuya 5¼ 94	50	†102½	103	−0½	−0¼	4.89
Elec. de France 5 07	100	†99	99¼	+0¼	+0¼	5.07
EIB 4½ 97	200	†96	96¼	−0¼	−2	5.15
Humana 5⅛ 98	120	†98¼	99	−0⅞	−0⅛	5.26
Industrial Credit 5⅞ 96	75	†98¼	100	−1⅞	−1⅞	5.87
Japan Dev. Bk. 5⅛ 97	100	†102	102¼	0	+0¼	4.85
Prov. of Manitoba 4⅞ 94	200	†101¼	102¼	+0⅛	+0¼	4.42
Prov. of Manitoba 4⅞ 02	200	†97½	98	−0⅛	−0¼	5.04
Newfoundland 5¼ 02	150	†99½	99⅞	−0¼	−0⅛	5.16
Qantas Airways 4¾ 97	120	†95¼	95¼	−0⅛	−0½	5.41
Settsu Euro. 0 01	100	†47¼	48	+0⅛	+0¼	5.60
Tohoku Elec. Pwr. 4⅞ 96	150	†98½	99	+0¼	−0⅛	5.04
USX Corpn. 5¼ 98	200	†95	96¼	0	−0⅛	5.99
World Bank 5¼ 94	150	†104	104½	0	−0⅛	5.05

Average price change on day −0⅛ on week −0½

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Belgium 4⅝ 94	45	94¼	94⅝	−0½	−0½	5.65
EIB 4⅝ 94	40	94½	94⅞	−0¼	−0⅝	5.61
Elec. de France 5⅛ 94	20	97½	98	−0⅝	−0¼	5.54
Kansai Electric 4⅝ 94	60	93⅛	93⅝	−1¼	−1¼	5.87
Norway 4¼ 92	60	96¼	96⅝	−0⅝	−0¼	5.17
SNCF 4⅞ 93	20	96⅞	97⅜	−0⅝	−0¼	5.47
Sweden, Kingdom 5⅝ 95	20	99⅞	100⅛	−0⅞	−0½	5.60

Average price change on day −0⅝ on week −0½

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
A/B Electrolux 14½ 90 A$	50	100⅞	101⅛	0	−0¼	13.57
American Brand 9½ 94 £	50	95⅛	95¾	+0⅛	+0⅛	10.46
Amer. Express OC 10 94	40	95½	96	+0⅛	+2	10.91
Bergen Bank 15 90 A$	50	101⅞	102⅝	0	−0¼	13.74
Canadian Pac. 10⅝ 90 C$	75	101⅝	102¼	−0⅛	−1¼	9.63
Chrysler Corpn. 10 91 C$	75	97½	98	−0⅝	−1⅞	9.99
Coca-Cola F. C. 17 90 NS	75	103	104	+0½	+3⅛	15.45
CoE 8⅞ 95 LFr	600	†104¾	105¾	+0¼	+0¼	7.97
Creditanstalt 14⅛ 90	60	101½	102	0	+0¼	13.27
Denmark 7¼ 92 Ecu	100	99⅝	99⅞	+0⅛	+0⅛	7.85
DG Finance 14⅞ 92 A$	50	†105½	106	0	−0¼	12.60
Deutsche Bank 9⅞ 97 £	75	95½	96	+0¼	1½	10.58
Deutsche Bank 14¼ 92 A$	100	105⅝	106⅛	0	+0½	12.45
Dresdner Fin. 13⅞ 91 A$	100	102	102⅛	0	−0⅛	13.06
EIB 7⅞ 91 Ecu	100	†99⅛	99⅞	0	+0⅛	7.46
EIB 8⅞ 93 LFr	1000	†103½	104½	0	0	7.68
Euratom 7⅞ 97 Ecu	145	93½	94	−0¼	+0⅛	8.33
Finland 6 91 Fl	100	99¾	100⅛	0	0	5.99
GMAC 9 92 £	50	94⅛	94⅝	+0⅞	+2¼	10.54
GMAC 9¼ 92 C$	75	98⅛	98¾	−0⅛	−1⅛	9.64
GMAC Aus. Fin. 14 90 A$	50	100⅝	101⅛	0	−0¼	13.57
Halifax BS 10⅛ 97 £	100	95¼	95¾	+0⅛	−0⅛	11.14
Kelaba Fin. 13⅞ 96 A$	75	100½	100⅝	0	+0⅛	13.28
Imp. Chem. Inds. 10 03 £	100	92⅝	93¼	+0⅞	+2	10.96
Imp. Chem. Inds. 10¾ 92 £	75	101½	102⅛	+0½	+5	10.28
Inv. in Ind. Intl. 10 93 £	60	96⅛	96⅞	+0¼	+0½	10.80
Land Securities 9½ 07 £	200	†82½	83	+0½	+0½	11.77
Leeds BS 10½ 91 £	50	†98¼	98⅝	0	−0¼	10.98
Mort. Bk. Denmark 6 91 Fl	150	98½	99	0	0	6.33
Natnl. Australia 14 92 A$	50	100	100½	0	−0⅛	0.09
Nationwide BS 10⅛ 93 £	75	96⅝	97	0	+0¼	10.93
NSW Treasury 10⅝ 92 £	50	99½	99⅝	+0½	+2	10.76
New Zealand 7¼ 93 Ecu	200	96⅞	97⅜	+0½	0	8.40
Oesters. Ktbk. 13⅝ 94 A$	75	99¼	100⅛	0	−0¼	13.62
Prudential Fin. 9⅞ 07 £	150	85⅛	85⅞	+0⅝	+0¼	11.20
Royal Insce. 10¾ 92 £	60	100⅞	101⅛	+0⅛	+4¼	10.44
Royal Trustco 10⅛ 90 C$	75	99¼	99¾	−0⅛	−0½	10.53
Sainsbury, J. 10⅞ 93 £	60	99⅝	100	+0½	0	10.94
SDR 7¼ 95 Ecu	90	95⅞	96⅛	−0⅛	−0⅛	8.45
Trusthouse Forte 11⅛ 90 £	50	†100	100½	+0¼	0	10.94
Thyssen 7¼ 90 Fl	50	102¼	102⅝	0	0	6.36
Wessanen 6¼ 90 Fl	50	101¼	101¾	−0⅛	−0⅛	6.19
World Bank 11¼ 95 £	100	102⅝	103⅛	+0⅛	0	10.66
World Bank 13⅞ 92 A$	100	100¼	100¾	0	+0⅛	13.21

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn
Alberta 3 93	0.0312	100.11	100.21	11/06	6.14
Alliance & Leic. Bldg. 94 £	0.08	98.99	99.04	20/04	9.89
Belgium 91	0	100.06	100.17	19/02	6.69
Britannia 5 93 £	0⅛	99.52	99.57	8/04	10.06
Chase Manhattan Corpn. 91	0¼	†99.15	99.40	29/08	6.56
Citicorp 98	0⅛	†97.25	97.50	27/02	6.63
Credit Lyonnais 5 00	0¼	98.42	98.52	13/07	6.19
EEC 3 92 DM	0	100.19	100.27	20/02	4.19
Halifax Bldg. Soc. £ 94	0.1	99.15	99.20	6/05	8.97
Midland Bank 01 £	0.1	96.34	96.44	9/05	8.91
Milk Mrktg. Board 5 93 £	0⅛	99.54	99.59	30/03	10
New Zealand 5 97 £	0.07	99.36	99.46	16/05	11
New Zealand 5 01	0	99.27	99.37	4/08	6.31
Shearson Lehman Hldgs. 91	0⅛	†99.30	99.55	6/05	7¼
United Kingdom 5 92	0	99.95	100.02	7/04	6.31
Woodside Fin. 5¼ 97	0	99.48	99.58	28/04	7.06
Woolwich 5 95 £	0⅛	99.32	99.62	19/05	10.62

Average price change on day −0.01 on week +0.25

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Alcoa 6¼ 02	8/87	62	†109	110	−1	25.72
Alco Health 6¼ 01	7/86	26.25	†88¼	89¼	0	27.45
American Brands 7¼ 02	9/87	56.7	†111½	112½	−0¼	10.67
American Can Co. 5½ 02	4/87	66.75	†93½	94½	−0½	36.76
Ashikaga Bank 2⅞ 02	4/87	996	111⅞	112⅞	−3⅛	−4.69
Asics 5 92 DM	12/83	472	164⅞	166¼	+0⅞	4.74
CBS Inc. 5 02	4/87	200	108¼	109¼	−1¼	10.13
Chiba Bank 2⅞ 02	1/87	890	196	198	−2⅛	2.32
Fuji Hvy. Inds. 3 00	8/85	676	160½	162½	−9	−5.55
Fujitsu 3 99	5/84	1109	166⅞	168⅛	−9⅛	−5.83
Gunma Bank 2½ 02	4/87	898	137⅛	138⅞	−3½	−4.95
Minolta Camera 2¼ 94 DM	2/86	1105	98⅞	100½	0	57.99
Mitsui Trust 2⅞ 01	10/86	1990	156	158	−1½	−1.04
Murata 3½ 00	7/84	1998	242⅞	244⅞	−8⅛	−5.25
Nippon Elec. 2⅞ 00	1/85	1255	245⅞	246⅞	−8⅞	129.81
OKI Elec Ind. 3½ 99	10/84	805	158	159½	−6	−1.56
Omron Tateisi 2⅞ 02	4/87	1350	119⅞	120⅞	−4⅞	−6.32
Redland 7¼ 02 £	1/87	5.5	†108⅛	109¾	−0⅛	16.90
Yokohama Bank of 2⅞ 01	10/86	1045	174	176	−6¼	−2.07

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for US dollars. C.cpn=The current coupon.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Lazard takes stake in Belgian Generale

By William Dawkins in Brussels

SOCIETE GENERALE de Belgique yesterday sold BFr 5.9bn ($159m) worth of new shares to two friendly institutional investors against a background of persistent bid rumours.

Belgium's largest industrial holding company placed 1.5m shares with Groupe Lazard, the Paris-based commercial bank and Artois-Piedboeuf Interbrew, a family-owned brewery based in the Belgian town of Louvain. This gives Lazard a 4 per cent stake while Artois has a 2 per cent shareholding.

Societe Generale's share price has risen strongly in recent months as unidentified buyers have built up what is believed to be a significant stake. The group said yesterday's issue was part of a long-standing policy to internationalise its shareholder base and "that it would help plans to collaborate with Lazard" in financial services.

Societe Generale plans to ask shareholders for a 60 per cent increase in authorised capital at an extraordinary general meeting next Tuesday. This would be without the need to offer rights to existing investors, a device which could if necessary be used to dilute unwelcome shareholders.

The meeting could also provide an opportunity for any aggressive buyers to identify themselves.

Incentive to buy electronics businesses

By Sara Webb in Stockholm

INCENTIVE, the Swedish conglomerate dominated by the Wallenberg and Lundberg financial interests, has agreed to buy six Scandinavian electronics companies from the Malmros conglomerate for about SKr 100m ($16m).

Mr Lars Kylberg, managing director of Incentive, said that the acquisitions would strengthen the group's electronics division in Sweden, Norway and Finland, and help it to catch up with Bergman & Beving, the Swedish market leader in the electronic components field.

The six companies include Svensk Teletadnstri, Naxab, Ambitron, and Scancopter in Sweden, as well as the Scancopter company in Finland, and Eltron of Norway. Also included in the deal is a 40 per cent shareholding in Ambitron in England.

Incentive reported profits (after financial items) of SKr 364m on turnover of SKr 6.1bn last year and forecast a substantial improvement for 1987.

Boost for UK portfolio insurance

By Our Euromarkets Editor

INVESTMENT techniques such as asset allocation and portfolio insurance could gain a bigger foothold in the UK with the establishment by Foreign & Colonial, the UK fund management concern, of a subsidiary to provide so-called "quantitative" services.

The new company, F & C Quantitative Management, will be headed by Mr Adam Parkin, an F & C director. It has obtained a licence to use the computer software of Leland O'Brien Rubinstein Associates, which developed insurance techniques in the US.

The techniques involved in portfolio insurance primarily employ stock index futures and options with the aim of limiting the effect on a portfolio of a market fall but still allowing it to benefit from a rise. Proponents say that the techniques accomplish this more cheaply than through the direct use of stock index options.

F & C will join a small band of UK firms offering portfolio insurance in the UK, hoping that it will develop as it has in the US, where it now has a huge following among fund managers. It aims to provide the services both for the UK market and for foreign portfolios managed from the UK, and is particularly targeting pension funds.

Japan licence for Barclays unit

By Our Euromarkets Editor

BARCLAYS de Zoete Wedd, the investment banking arm of the UK bank, has won a licence to trade securities in Japan, becoming the third UK clearing bank subsidiary to do so.

Under Japanese rules for securities subsidiaries of foreign banks, each must have a non-banking partner. In BZW's case, Imperial Chemical Industries is the sleeping partner with joint ownership of the Tokyo company.

Continental serves up a cocktail

BY ALEXANDER NICOLL, EUROMARKETS EDITOR

CONTINENTAL, the West German tyre and rubber products group, yesterday made a $247m three-currency bond offering carrying equity warrants. The package will partially finance the company's recent $650m acquisition of General Tire of the US.

The package in the name of Continental Rubber of America, was co-ordinated by Deutsche Bank, though it did not itself lead-manage the Swiss franc portion. All three portions, in D-marks, dollars and Swiss francs were well received.

The DM 190m ten-year portion had a 6¾ per cent coupon and a price of 134. The $75m dollar bond was also for ten years, with a coupon of 9¾ per cent cent and pricing at 130. The SFr 100m issue, led by Union Bank of Switzerland, had a 15-year maturity with a coupon of 4¾ per cent and a price of 127.

Warrants issued with all three shares into Continental stock are interchangeable. They are exerciseable at DM 360, the price at which Continental shares closed yesterday, down DM 8½ on the day.

There had been some speculation over which bank would lead the Swiss franc issue because of the recent relaxation of rules in Switzerland's largest bond syndicate when Deutsche Bank's Swiss subsidiary was allowed to lead an issue for its parent within the syndicate—the first foreign bank allowed to do so.

Though some had expected Deutsche Bank to attempt to lead the Continental deal as well, it was thought that it had not wanted to put additional pressure on the syndicate rules while the big three Swiss Banks are in talks on reveiwing them.

The Contintal package was the feature of a quiet new issues market overshadowed by steep falls in US and Japanese government as well as Eurodollar bond prices. German federal bonds fell some 60 basis points, with the latest issue fixed at 99 against 99.7 on

INTERNATIONAL BONDS

Tuesday, while D-Mark Eurobonds lost ½ point. Swiss franc foreign bonds again eased in places by up to ½ point.

Yamaichi International, however, brought a $300m bonds-with-warrants issue for Matsushita Electric Works. It provoked controversy by indicating a coupon of 3 per cent on the five-year issue, below the 3¼ per cent level which had recently become standard

Some syndicate managers believed that the recent performance of the market warranted lower coupons for better borrowers, while others felt that it was premature. The latter also thought that the falling US Treasury bond market made the lower coupon very untimely. Yamaichi was bidding the issue at 1½ points below par issue price, equivalent to the selling concession.

Ryobi, a maker of die-castings, made a $50m five-year issue led by Nomura with a 3¼ per cent indicated coupon.

Meanwhile, **Bank of Tokyo** made an Ecu 70m five-year issue priced at 101½ with an 8¼ per cent coupon, led by its capital markets unit. In Switzerland, **Toagosei Chemical Industry** issued SwFr 60m of five year convertivle bonds with an indicated ⅜ per cent coupon, led by Swiss Bank Corporation.

Tokyo SE to reduce commission rates

BY YOKO SHIBATA IN TOKYO

THE TOKYO Stock Exchange (TSE) will next month implement an across-the-board reduction in commission rates on securities transactions, the first rate cut since the TSE moved from volume to valued based commissions in 1977.

The TSE is due to formalise the new commission structure on September 11. Stock market officials expect the rate cuts to average around 10 per cent for shares and 8 per cent for convertible bonds with share purchase warrants.

Japan is the only major world stock market maintaining a high fixed-commission system. According to recent estimates by Sumitomo Bank, average commissions in Tokyo range from 0.6 per cent to 0.7 per cent of the trading value, compared with 0.26 per cent in the UK and 0.46 per cent in the US.

Last November the TSE reduced commissions by an average of 10 per cent for transactions above Y10m. However, the TSE maintained rates on contracts under Y10m following strong opposition from smaller securities houses whose main customers are small-lot individual investors.

A TSE survey shows that commission on trades of less than Y10m accounted for 37.5 per cent of total commission revenue in May this year, compared with 48 per cent in September 1985.

Japanese currency loses global appeal

BY IAN RODGER IN TOKYO

THE GROWTH in the international use of the yen has slowed considerably in the past year or so, partly because of foreigners' fears that the Japanese currency will continue to appreciate but also because of a lull in Japan's financial liberalisation process.

According to figures published by Bank of Tokyo, investment by foreigners in Japanese bonds, for example, has flattened at about Y8,000bn, while yen deposits held by non-residents have been declining from the 1985 peak of Y2,414bn peak.

Although growth in the use of the yen in international transactions and as a reserve currency has been rapid in recent years, the currency is still a relatively small factor in global finance.

For example, while Japan now accounts for about 15 per cent of the non-Communist world's gross national product, the yen accounts for only 7.6 per cent of the foreign exchange reserves of the member countries of the International Monetary Fund. (The German mark accounts for about 13 per cent).

Similarly, the yen is used to finance little more than a third of Japan's exports and only a tenth of its imports.

Foreign holdings of yen are concentrated largely in Japanese equities, but that is merely a reflection of the enthusiasm foreign investors had for Japanese shares a few years ago. Foreigners have been large net sellers of Japanese equities for the past three years, and the aggregate value of their holdings has risen in this period only because Japanese share prices have skyrocketed.

The one area where the yen has made remarkable progress in the past year is in the Euromarkets, but this is not so much an increase in international use of the yen as an extension of the Japanese domestic market. Last year, the Japanese authorities significantly eased the restrictions on foreign investments by big institutions, but they have maintained their very tight regulation of the Tokyo financial markets.

Thus, both Japanese investors and borrowers moved into the Euroyen markets with enthusiasm, and most of the very rapid growth in the Euroyen bond market has come from Japanese companies. They use their offshore subsidiaries to raise money in Europe on more flexible terms than they can get in Tokyo.

The rise of the Euroyen market has also virtually brought a halt to the issuing by foreign borrowers of yen bonds in the Japanese market. The volume of issues on the tightly regulated Samurai market has plunged from Y1,272.5bn in 1985 to only Y321bn in the first half of this year, victim of the more attractive terms available in the Euromarkets.

The further internationalisation of the yen will depend in part on traders' attitudes to the currency. If its upward trend eases, then importers of Japanese good should become more relaxed about purchasing them in yen.

The continued liberalisation of Japan's financial markets is also important, especially for for the greater use of the yen as a reserve currency.

Eagle Star helps BAT rise 26%

BY NICK BUNKER

BAT Industries, the tobacco-based multinational, raised its pre-tax profits by 26 per cent to £699m for the six months to June 30, with nearly 45 per cent of the increase coming from Eagle Star, the British insurance group it bought in 1984.

Tobacco activities contributed almost all the remainder of the advance in pre-tax earnings. That was in spite of a 2 per cent fall in US sales, declining turnover in West Germany and modest profits in Brazil, where BAT has an 80 per cent market share.

Paper-making — where BAT is the world's biggest producer of carbonless-copying paper, via Wiggins Teape in the UK and Appleton in the US — showed a trading profit of £124m (£117m).

Earnings per share were up 27 per cent at 28.21p, and BAT declared an interim dividend of 6.5p, an 18 per cent increase on 1986. The shares closed up 3p at 652p.

Total group turnover at constant exchanger ates grew 5 per cent to £9.33bn. Operating profits at closing exchange rates were up 23 per cent at £712m, while investment income was £91m (£66m). Interest payments fell from £122m to £104m.

Profits attributable to shareholders were £420m (£330m) after tax of £251m and minorities of £28m.

Mr Patrick Sheehy, group chairman, said a number of special factors had contributed to the earnings result, and he did not expect the rate of increase to be maintained throughout the year.

These included increased investment income from Brazil and a fall in promotional spending by Brown & Williamson, BAT's US cigarette company. BAT also benefited from £19m pre-tax profits from Canada Trustco, a Canadian mortgage company purchased in May 1986.

BAT, the world's biggest private-sector cigarette company, said tobacco trading profits grew 22 per cent to £381m. It reported strong gains in export business to Japan, Taiwan and China, which had "grown dramatically," especially since the liberalisation of Japan's cigarette import controls last autumn.

BAT now has an estimated 20 per cent share of the Japanese imported cigarette market, with its Kent brand ranking number one or two in Tokyo.

In financial services, which now make up 28 per cent of group pre-tax profits, Eagle Star's operating profit rose from £95m to £160m after a fall in non-life underwriting losses from £59m to £21m, in spite of reserve strengthening in the employers' liability account partly to cover increased industrial deafness claims.

The results included a credit for £109m (£84m) of mostly-unrealised capital appreciation on Eagle Star's technical reserves.

In US retailing, including the Saks Fifth Avenue and Marshall Field high-fashion stores, BAT said trading conditions remained highly competitive and had been hit by reduced use of consumer credit following federal tax reform in 1986.

Argos, the group's fast-growing British retail chain, which is aiming to have 200 outlets by the end ofthe year, showed 24 per cent turnover growth, but worldwide retailing trading profits slipped from £38m to £36m.

See Lex

Collins in £95m US purchase

BY TERRY POVEY

William Collins' £95m acquisition of a half stake in Harper and Row, US publisher, from News America was announced yesterday along with interim pre-tax profits of £7.28m, up from £5.11m last year.

The acquisition is to be financed by a £113m one-for-two rights issue of both classes of the publishing company's ordinary shares—5.15m new ordinary (voting) shares at 761p and 12.1m new ordinary A (non-voting) shares at 637p.

Mr Rupert Murdoch's News International, with 41.68 per cent of the voting stock and 10 per cent of the A shares, intends to subscribe for its full entitlement at a total cost of £24m. Like News America, News International is a member of Mr Murdoch's News Corp.

Collins intends treating the company as a 50 per cent owned associate, taking in this portion of its pre-tax profits for the last 3½ months of 1987 but not accounting for its sales or its balance sheet. It is assumed that News America will handle H&R in the same way.

The £17.3m left from the rights, the non-News part of which is underwritten by Schroders, is to be used to finance working capital. Collins' investment in H&R will be shown at £4.94m in its accounts as £90.4m of goodwill has been written off.

The pro-forma balance sheet following the rights and the acquisition shows net tangible assets of £75.2m, against £53m at December 31. Instead of the year-end net debt of £10.4m, Collins showed a net cash position of £6.92m.

An extraordinary meeting is being held on September 18 to approve the moves.

The interim results showed turnover up £6.2m at £69.2m and operating profit ahead to £6.88m from £6.3m. The pre-tax total was struck after net interest paid of £674,000 (£1.46m) and an exceptional credit of £1.04m resulting from the disposal of its technical book list.

The first half of 1986 contained a £340,000 pre-tax contribution from the one-third owned Pan, which was sold in October for £10m.

After taxes of £2.4m (£1.67m), attributable profits were £4.87m (£3.44m). Earnings per share rose to 14.1p, including the exceptional item or 12.2p without, against 10p. An interim dividend of 3.25p (2.6p) which will not be paid on the rights shares, has been declared.

See Lex

Fredk. Cooper buy

Frederick Cooper, holding company, has acquired the fixed assets, including the company, name, of MAP, for £200,000 cash, together with its stocks at valuation.

MAP makes and distributes a range of plastic products to the hardware trade. Its pre-tax profits for the year to October 31 1986 were £91,017.

The assets are being acquired at a £350,000 discount to their net book value. The stocks to be acquired will be at a valuation not exceeding £550,000.

Westland buys US stake

Westland, the UK helicopters concern which was at the centre of a political storm last year, is paying $4.2m (£2.55m) for a 60 per cent stake in Hermetic Aircraft International Corporation, a Long Island-based aeronautical instruments and repair service company.

The stake is being bought through a Westland subsidiary, Westland Technologies, and the remaining 40 per cent will be purchased over the next five years with the price dependent on HAIC's future profits.

HAIC has specialised in the service of components used in the Falcon line of business aircraft, the Airbus Industrie A300 and A310 and executive aircraft built in the US and overseas.

Parkway's £2.6m buy

Parkway Group, a London-based company wich provides a range of pre-production services for advertising agencies, is to buy Dulip, the reprographic services group which trades as Magnacraft, for a maximum of £2.57m.

The initial consideration for the acquisition will be satisfied by the issue to Magnacraft vendors of 650,000 new ordinary shares, which values Magnacraft at £1.63m.

All-round growth boosts Bunzl

By Richard Tomkins

Bunzl, paper, packaging and distribution group, which has been expanding quickly by acquisition, yesterday announced a 56 per cent increase in pre-tax profits to £42.2m for the half year to the end of June 1987.

The company said that four of its five decisions had turned in excellent results, with only the transport division, hit by harsh winter weather, recording a profits downturn.

The group pre-tax figure compared with £27.1m in the comparable period. Turnover rose from £470.3m to £659.7m and trading profits from £27.1m to £38.5m. Earnings per share rose from 5.2p (adjusted for rights) to 6.2p and the interim dividend has been increased by 20 per cent to 2.1p a share.

Bunzl made 12 acquisitions for a total of £73m during the half-year and Mr James White, managing director, said they had accounted for about 45 per cent of the pre-tax profits growth.

The distribution division remains the group's biggest in turnover and profit terms, with the trading profit contribution rising from £9.8m to £12.6m.

Merchanting, buoyed by strong pulp paper prices and a first full contribution from G.B. Goldman, Bunzl's US job lot trading offshoot, improved its trading profit contribution from £2m to £4.6m.

● comment

Bunzl's shares have not performed well since the company swamped the market with £197m of stock in last September's rights issue, and the City seemed to be in a mood to find grounds for its lack of enthusiasm in yesterday's figures. It did not have to look far. In spite of the mightily impressive 56 per cent advance at the pre-tax level, some £3m of the increase came from profit-taking on sales of share stakes and another £3.5m from the virtual elimination of borrowings, so with more than two-thirds of the remaining figure coming from acquisitions, organic growth was left at only around 12 per cent to 15 per cent. Still, that last figure is not at all bad for a company in fundamentally mature businesses, and it seems unfair to strip out acquisitions from a group whose growth strategy is so firmly allied to the absorption of small to medium sized businesses on reasonable price/earnings multiples. The full year should bring something approaching £95m for a prospective p/e of 17 at yesterday's 344p. That may look a little high today, but further acquisitions could make it conservative by the year-end.

GRE lifts profits by almost 50% at half way

LEADING composite insurance group, Guardian Royal Exchange yesterday reported pre-tax profits up by almost half at the interim stage, from £56m to £82.2m, following a reduction of £14.6m in the underwriting deficit from £45.6m to £31m and higher investment income and life insurance profits.

After-tax profits were 40 per cent higher at £47.9m against £34m. However, the 50 per cent increase in the interim dividend, from 10p to 15p, represents a move to reduce the difference between interim and final payments as well as rewarding shareholders.

Trading results in the UK in the first six months of the year were good, despite the severe winter weather in the first quarter and continuing high level of motor and theft claims.

GRE, which insures over 930,000 motorists, saw some improvement in its important motor account following substantial premium increases in motor rates. Even so claims frequencies continue to rise—now 223 out of every 1,000 motorists make a claim during the year and though losses were reduced, they still amounted to £7.5m over the period.

The severe winter weather cost GRE £28.6m—£4m more than a year ago, while theft claims rose by 19 per cent to almost £7m.

As a result, the household account showed little improvement and it was left to the commercial property account to bring about the improvemeint seen in the UK.

On its overseas results, GRE saw no overall improvement in West Germany and business that was static in local currency terms. The motor account lost some £3m, offset by a £1m profit on the engineering account.

Business in the US returned to profitability in the period showing £1.8m gain against a loss of £2.9m last year. But there are signs of a downturn in the cycle, particularly in casualty insurance.

Australia remained a difficult market, but conditions have improved in the Republic of Ireland. Holland had a slightly better result.

● comment

Guardian Royal Exchange's earnings are far less affected by the results of the cyclical North American insurance market than is the case with most of the other big UK insurance composites, so a 46.7 per cent rise in first half pre-tax profits to £82.2m may seem a little pedestrian and probably explains the 13p drop in its share price to 999p yesterday. The combination of a near one-third drop in underwriting losses and a relatively sluggish rise in investment income explains the profit increase. Whilst its business cannot be said to be firing on all cylinders, there are signs of improvement in most of the major territories. In particular, the important UK motor insurance operation has increased its prices by 30 per cent since the turn of the year and is confident that the worst is over. The company should make over £200m, or 80p, for the full year but the 50 per cent increase in the interim dividend is not a guide to the rise in the full year payout which should be around 40p putting the shares on a prospective yield of 5.5 per cent.

Wilson (Connolly) lifted by buoyant house market

A CONTINUED buoyant housing market has helped Wilson (Connolly) Holdings, housing estate builder and industrial building contractor, to a pre-tax profit rise of 34 per cent in the six months to end-June 1987.

On turnover ahead by 36 per cent from £55.65m to £75.74m, the pre-tax result came out at £13.69m (£10.25m). Housing and contracts contributed more at £11.55m (£8.9m) and profits from rents were £952,000 (£822,000), but the biggest increase was in property sales which more than doubled to £1.16m (£532,000). There was also a £31,000 contribution this time from the sale of investment property.

The interim dividend is lifted to 1p (0.8p) per share. For 1986 a total of 2.8p was paid when pre-tax profits were £26.26m. Earnings moved ahead from 7.4p to 9.9p.

Mr Lynn A. Wilson, the chairman, said that house prices in some areas had moved ahead sharply. Wilcon Homes completed 1,280 properties at margins well up to expectations.

● comment

Yesterday's figures for this oft-called Rolls-Royce of the housebuilding industry were substantially better than market expectations. Most forecasts of before tax profits were about £12.5m: in fact, the housebuilding side alone, always the powerhouse of Wilson, contributed £12.2m. The construction division's £600,000 loss for the first half is not worrying anyone. Apart from its tiny size relative to the whole, construction profits are second half weighted and a profit—though small—for the year is still expected. The property division has gone better than expected, with rents gradually creeping up. But it is all really about housebuilding. The market is buoyant, and the company is on the cards for about 26,000 completions for the year, its average house price is up to £43,000 from £37,000 and its land bank is well marshalled. Assuming pre-tax profits of £33m for the full year, the shares, at 377.5p, up 3.5p, are trading on a fairly valued prospective p/e of 15.

British Dredging buys BES company

BY PHILIP COGGAN

ANOTHER Business Expansion Scheme company is being bought before the five-year qualifying period for tax relief is completed. British Dredging is buying J. Thomas Edwards, a builders merchant trading in the Birmingham area.

The First Lazards BES Fund invested £750,000 in return for 43.8 per cent of the company in March 1984. Although the company has now traded for more than three years and can thus become a subsidiary of another group, BES investors cannot sell their shares within five years without losing their tax relief.

As a result, British Dredging is buying only the non-BES shares, 56.2 per cent of the equity, for £615,000. It intends to make an offer for the rest of the equity when the five-year qualifying period is over.

Based on the price at which the non-BES shares are sold, the deal values the whole company at just under £1.1m, indicating that the BES shares are worth only £485,000, a substantial discount to their 1984 value. Edwards lost £320,000 last year, thanks to heavy interest payments of £543,000.

However, for those BES investors who received 60 per cent tax relief on their investments, sale at the current indicated value should still result in a profit.

The BES was established in 1983 and in recent months a growing number of schemes have been bought out, using a variety of methods to allow investors to retain their tax

Public Works Loan Board rates

Effective August 21

Years	Quota loans repaid by EIP†	Quota loans repaid A‡	Quota loans repaid at maturity§	Non-quota loans A* repaid by EIP†	Non-quota loans A* repaid A‡	Non-quota loans A* repaid at maturity§
1	—	—	10¾	—	—	11¼
Over 1, up to 2	10¾	10¾	10¾	11¼	11¼	11¼
Over 2, up to 3	10¾	10¾	10⅝	11¼	11⅜	11⅜
Over 3, up to 4	10¾	10¾	10⅝	11¼	11¼	11⅜
Over 4, up to 5	10⅝	10⅝	10⅝	11⅜	11⅜	11¼
Over 5, up to 6	10⅝	10⅝	10⅝	11¼	11¼	11⅛
Over 6, up to 7	10⅝	10⅝	10⅝	11¼	11¼	11⅛
Over 7, up to 8	10⅝	10⅝	10½	11⅛	11⅛	11⅛
Over 8 up to 9	10⅝	10⅝	10⅝	11⅛	11⅛	11¼
Over 9, up to 10......	10⅝	10½	10½	11⅛	11⅛	11
Over 10, up to 15 ...	10⅝	10⅝	10⅜	11⅛	11⅛	10⅞
Over 15, up to 25 ...	10½	10⅞	10½	11	10⅞	10¾
Over 25	10½	10½	10½	10⅞	10¾	10¾

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

UK COMPANY NEWS

Sun Alliance profits more than double to £104m

BY NICK BUNKER

Sun Alliance, the composite insurer, again outstripped the City's forecasts by a wide margin yesterday with interim pre-tax profits more than doubled at £104.4m.

It raised its interim dividend by 33.3 per cent to 10p per share, after a 34 per cent increase at the halfway stage in 1986. The shares gained 39p to close at 1028p. Stockbrokers' analysts had been expecting figures of £60m to £90m for the six months to June 30, with some of their pessimism reflecting the group's heavy losses due to bad weather in the UK last winter.

Sun Alliance benefited, however, from unexpectedly strong recoveries in Australia and in the US, where it participates in underwriting pools run by New Jersey-based Chubb Corporation, one of the nation's best - performing insurers recently.

Worldwide, non-life premium income grew 9.4 per cent to £1.05bn, with life and pensions premiums up 29 per cent at £393.7m. Its global underwriting los fell by 60 per cent from £73m to £30.2m, while investment and other income rose from £104.5m to £120.5m.

Life and pensions profits—which covered 72 per cent of the dividend cost of £19.7m—advanced 23 per cent to £14.1m.

Profits attributable to shareholders after tax and minorities of £34.6m were £69.8m (£29.6m), while earnings per share more than doubled from 15p to 35.4p.

In the UK, which accounts for 55 per cent of non-life premiums, a "significant underlying improvement in results" was offset by the £74m of weather related claims in the first quarter.

In commercial classes of insurance — making up about 45 per cent of its UK business — Sun Alliance reported that it was now making pure underwriting profits, though it said pricing had reached "a plateau" after rate increases which averaged 10 per cent in 1986.

In UK motor insurance — where losses and gains of new business mean that one-third of its portfolio is turning over annually — Mr Quaile said the group incurred a smaller underwriting loss but the figure was "still unacceptable" and policies were still under-priced.

A cluster of factors in far-flung territories helped throw the analysts off the scent. Two examples were an improvement in Australian commercial fire results, plus fewer claims than expected from its old workers' compensation business there. While losses from UK household business doubled—with no benefit from catastrophe reinsurance, because Sun Alliance has none—the group managed a marked reduction in motor losses. Also, given its relative freedom from the US underwriting cycle, Sun Alliance may be the best-placed composite for further dividend increases. Its tax charge—28.5 per cent—is one of the sector's lowest. Also, with shareholders' funds and its life business worth about £13.30 per share, Sun Alliance is still undervalued by the market.

Biomech. makes cash call for £1m

Biomechanics International, effluent treatment contractor, which joined the USM as a start-up company in 1983, is to raise £1m by a heavily-discounted rights issue and a subscription issue.

The rights issue is on a 1-for-1 basis with 8.35m shares being issued at 5p each. This will raise about £400,000. The balance of £600,000 will come from subscription at the same price.

The company, which has never made a profit, last month reported pre-tax losses for the half year to June 30 1987 of £45,000

The company said yesterday there were no current negotiations in hand for acquisitions. The rights issue is subject to shareholders approval at an egm.

The share price closed yesterday 4p down at 41p.

PR services group buys news agency

PIMS LONDON, which supplies services to the public relations sector, has acquired the London Information News Distribution Agency for an undisclosed sum.

London Information News has a turnover of £1.1m, compared with Pims' turnover of £12m

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corres-ponding div	Total for year	Total last year
BAT Inds ....int	6.5	Nov 20	5.5	—	14.3
Wm Bedford ......int	‡1.65	Oct 22	1.5	—	4.5
Brammer ....int	4.5	—	4.5	—	12.5
Bunzl ....int	2.1	Nov 2	1.75	—	4.2
William Collins ...int	3.25	Oct 14	2.6	—	9.25
CRH ....int	1.36	Oct 9	1.27	—	3.7
Edinburgh Fncl Tst int	0.1	—	0.1	—	0.6
Guardian Royal ...int	15	Jan 5	10	—	34
Hillsdown ....int	1.25	Dec 31	1.05*	—	3.8*
H. & J. Quick ......int	†1.75	—	0.75	—	4
Rea Brothers ......int	†0.65	Oct 8	0.45	—	1.25
Ropner ....int	3	Dec 31	2.5	—	6.5
Sheldon Jones	‡3.3	Oct 19	3.3	4.65	4.65
Slough Estates ......int	2.8	—	2.5	—	6.5
Stal-Plus ....int	0.75	Oct 1	0.67*	—	1.67*
Sun Alliance ......int	10	Dec 1	7.5	—	23.5
VG Instruments ...int	1.5	Oct 23	1.2	—	3.6
Wates Cty London int	0.77	Oct 30	0.77	—	1.54
Williams Hldgs ...int	8	Oct 5	5	—	14
Wilson (Connolly) int	1	*Oct 22*	*0.8*	—	2.8

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ Third market.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1980=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unem-ployed	Vacs.
1986							
1st qtr.	109.1	102.8	97	119.3	146.0	3,171	168.5
2nd qtr.	109.8	104.0	97	121.3	154.0	3,203	175.6
3rd qtr.	110.9	105.0	96	123.7	158.7	3,202	200.2
4th qtr.	110.9	107.1	94	126.5	164.3	3,141	212.0
1987							
1st qtr.	111.8	107.2	91	125.4	157.9	3,073	210.4
2nd qtr.	112.4	108.9	91	128.2	166.0	2,965	226.1
January	110.6	105.6	95	123.6	158.4	3,114	210.3
February	112.4	108.1	93	127.0	154.5	3,066	207.1
March	112.5	107.8	91	125.5	157.8	3,040	210.6
April	112.1	108.2	90	130.0	169.0	3,018	213.9
May	113.1	108.6	90	125.4	161.3	2,952	231.2
June	111.9	109.5	91	129.4	167.3	2,925	233.3
July				131.2		2,878	234.9

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

	Cnsmer. goods	Invest. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1986							
1st qtr.	103.9	101.4	115.0	101.5	109.3	103.1	14.5
2nd qtr.	105.3	101.0	115.9	102.5	110.0	104.1	19.4
3rd qtr.	106.5	101.0	117.5	103.1	109.0	103.1	19.3
4th qtr.	108.2	102.4	116.1	104.6	115.4	104.5	15.4
December	108.3	102.4	114.9	105.0	118.0	103.0	10.7
1987							
1st qtr.	107.3	103.3	118.0	105.5	114.9	102.8	17.2
2nd qtr.	109.6	103.9	117.6	106.7	121.4	104.4	19.4
January	106.5	102.3	116.4	104.0	107.8	103.0	12.7
February	108.0	103.4	118.7	106.0	122.0	102.0	18.2
March	107.3	104.1	118.9	106.0	116.0	102.0	20.8
April	109.1	103.6	117.5	106.0	117.0	104.0	18.3
May	109.8	103.5	119.0	107.0	122.0	104.0	19.3
June	109.9	104.7	116.3	107.0	126.0	105.0	20.7

EXTERNAL TRADE—Indices of export and import volume (1980=100); viable balance; current balance (£m); oil balance (£m); terms of trade (1980=100); official reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Reserve US$bn*
1986							
1st qtr.	117.5	124.9	−1,227	+682	+1,890	101.0	18.75
2nd qtr.	121.9	129.1	−1,008	+135	+765	102.5	19.20
3rd qtr.	122.6	139.0	−2,391	−918	+621	103.2	22.43
4th qtr.	130.5	144.0	−2,735	−930	+785	100.9	21.92
December	121.6	143.9	−911	−813	+256	100.2	21.92
1987							
1st qtr.	130.0	133.2	−1,135	+471	+1,164	100.5	27.04
2nd qtr.	126.3	140.7	−2,361	−561	+1,033	102.7	34.36
January	124.6	131.4	−517	+ 18	+383	100.2	21.95
February	138.4	138.0	−202	+332	+328	100.4	22.26
March	126.9	130.2	−417	+119	+454	100.8	27.04
April	131.4	138.6	−586	+ 74	+423	102.8	29.81
May	123.9	144.3	−1,096	−496	+365	102.8	34.68
June	123.5	139.1	−740	−140	+245	104.4	34.36
July	131.3	147.6	−910	−310	+284	103.1	34.91

FINANCIAL—Money supply M0, M1 and M3 (three months' growth at annual rate), bank sterling lending to private sector; building societies' net inflow; consumer credit†; all seasonally adjusted. Clearing Bank base rate (end period).

	M0 %	M1 %	M3 %	Bank lending £m	BS inflow £m	Cnsmer. credit† £m	Base rate %
1986							
1st qtr.	4.1	21.4	19.2	+6,203	2,220	+855	11.50
2nd qtr.	3.1	25.9	27.3	+6,455	1,433	+346	10.00
3rd qtr.	5.9	30.3	15.4	+6,995	168	+792	10.00
4th qtr.	7.6	15.3	14.1	+10,516	2,814	+444	11.00
1987							
1st qtr.	1.2	20.6	20.2	+6,665	1,465	+952	10.00
2nd qtr.	3.3	29.7	20.3	+8,654	1,904	+1,067	9.00
January	7.7	18.1	13.5	+1,701	446	+257	11.00
February	−0.1	19.9	17.8	+2,881	472	+296	11.00
March	−3.8	33.8	29.4	+2,083	547	+399	10.00
April	0.1	20.9	33.6	+1,989	727	+410	9.50
May	5.5	37.6	32.8	+2,734	521	+294	9.00
June	4.5	30.3	21.9	+3,931	556	+363	9.00
July	7.7	34.6	22.6	+4,862	347		9.00
August							10.0

INFLATION—Indices of earnings (Jan 1980=100); basic materials and fuels; wholesale prices of manufactured products (1980=100); retail prices and food prices (Jan 1987=100); Reuters commodity index (Sept 1931=100); trade weighted value of sterling (1975=100).

	Earn-ings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	Reuters* cmdty.	Sterling
1986							
1st qtr.	179.1	122.4	143.4	96.5	96.9	1,825	75.1
2nd qtr.	184.0	125.8	145.7	97.8	98.7	1,714	76.1
3rd qtr.	187.4	120.8	146.3	97.9	98.3	1,464	71.9
4th qtr.	191.0	127.4	147.4	99.1	98.3	1,668	68.2
1987							
1st qtr	192.0	129.8	149.3	100.3	100.5	1,580	69.9
2nd qtr.	198.0	128.7	150.8	101.9	101.8	1,598	72.8
January	190.4	131.7	148.9	100.0	100.0	1,603	68.8
February	191.2	129.6	149.3	100.4	100.7	1,601	69.0
March	194.5	128.2	149.7	100.6	100.7	1,539	71.9
April	195.9	128.4	150.5	101.8	101.8	1,554	72.4
May	196.1	128.0	151.0	101.9	102.2	1,612	73.3
June	199.9	129.6	151.0	101.9	101.6	1,629	72.6
July		129.8	151.2	101.8	100.4	1,632	72.8
August						1,655	72.3

* Not seasonally adjusted.
† Net changes in amounts outstanding, excluding bank loans.

UK COMPANY NEWS

BICC expands in US with $96m purchase of Cablec

BY STEVEN BUTLER

BICC, the big UK electric cables and construction group, announced details for its purchase of an 80 per cent stake in Cablec, the US power cable company, for $96m cash.

Mr Robin Biggam, chief executive, said the acquisition would double BICC's presence in the North American cable market, where demand is expected to pick up due to an increase of refurbishment programmes by power utilities.

"To be a world player on the cable market, we need a US presence," said Mr Biggam.

Cablec is the largest supplier of cables to the US power utilities, where cables installed some 20 years ago are now in need of replacement. Mr Biggam said the market was expected to grow by at least 5 per cent annually in the coming years.

BICC would initially acquire 45 per cent of Cablec, paying $44m for existing shares, and $10m for a subscription of new shares, with the balance of 35 per cent to be acquired in July 1988 for $42m.

BICC has additional options to purchase shares at a price related to Cablec's performance, with between $10m and $54m payable, the maximum based on annual profits of between $14m and $17m over the period 1990 to 1992.

If these profits are realised, BICC says the ratio of price to fully taxed earnings would be 14, or about 10 after taking into account tax losses available. This compares to BICC's historic price to earnings ratio of 23.

Lifting the stake to 80 per cent is important so that BICC can consolidate the company in order to take advantages of tax losses on earlier BICC operations in the US. BICC had failed in earlier efforts to build up a US presence from scratch.

Sumitomo Electric Industries, would retain a four per cent stake in Cablec, and would maintain technical and related sales and distribution agreements.

Mr Biggam said a combination of the manufacturing and technical resources of Cablec and Philips, BICC's Canadian power and construction cable subsidiary, would boost profits in both companies.

Cablec's turnover has risen from $54m in the year to the end of March 1985 to $146m in the year to March 1987. Profits in the most recent period, however, dipped to $0.8m from $5.1m in the previous year.

BICC said profits declined because of manufacturing problems at one factory, which have since been resolved, and costs incurred in the restructuring of an acquired business.

Turnover in the year to March 1988 is forecast at $175m, with pre-tax profits of at least $5m.

Cablec was formed from a management buy-out of the power cables business of Phelps Dodge in 1984, and subsequently acquired power cable businesses of Anaconda from Ericsson and of the Essex Group from United Technologies.

CRH profits boosted by overseas expansion

BOOSTED by its overseas expansion, CRH, formerly Cement-Roadstone Holdings, reported interim pre-tax profits up by 32 per cent. And directors said they expected the full-year results would show good growth on last year's record.

In the first half of 1987 the Irish-based construction materials group saw turnover rising to I£325.43m (£291.6m), against I£233.81m for pre-tax profits up from I£10.76m to I£14.25m.

Earnings per share came out at 4.37p (3.76p) and the interim payment is being raised from 1.27p to 1.36p net.

Directors said that cash flow remained strong and with net debt of £1.5m gearing at the end of the period was about 33 per cent. "The thrust towards further expansion abroad continues at an accelerated pace," they added.

Trading profit was £17.88m (£14.14m) and interest charges were higher at £4.09m (£3.65m). The pre-tax figure included a higher contribution from associates of £448,000 (£269,000).

The tax charge was £2.85m (£1.62m). After minorities this time of £16,000, preference dividends of £21,000 (£26,000) and £3.59m (£3.1m) for the ordinary dividend, £7.77m was taken to reserves, against £6.02m last time.

Profits in the US were ahead of last year, directors said. Operations in the mountain states were affected by the energy-related recession but in the Pacific states the results were similar to the excellent 1986, they said. In the north east Callanan had a good half year and profits increased.

● comment

In spite of the upward blip in Irish cement volumes, the company's domestic market is constained by cuts in public spending and it is the overseas activities which have provided the growth. The impact, though, has been greater at the pre-tax level than at the bottom line, where the increase in earnings has been held back by dilution. For the full year, the buoyancy of the south of England merchanting operations in particular should help the group overall to around I£46m pre-tax, putting the shares, at 173p, on a prospective price/earnings multiple of 14. That looks high in London, for City analysts question why they should want to pay a premium for a company still exposed to the depressed Irish building materials market when they can buy the likes of Tarmac on lower multiples. The reason appears to be support from Irish institutions which are limited in their ability to invest outside the Republic — though, ironically, they are gradually achieving the same aim by investing in the geographically expanding CRH.

VG rises by 14% to £8.6m midway

VG Instruments, maker of scientific instruments, reported pre-tax profits in the first half of 1987 up by 14 per cent at £8.56m against £7.53m last time. The result was achieved on turnover up from £39m to £44.43m, a rise of 14 per cent.

Earnings per 10p share came out at 10.28p (9.3p) and the interim dividend is being raised from 1.2p to 1.5p.

Trading margins improved from 17.5 per cent to 17.7 per cent, reflecting, directors said, the company's continued attack on costs as well as the core philosophy of providing market-leading technology.

During the period the base of the US operations was moved. The disruption was now working out of the system and the company was seeing a return to the area's characteristic growth in orders.

Trading profit was £7.85m (£6.83m) and pre-tax profit included investment income of £712,000 (£703,000).

● comment

Although the result was slightly below the consensus forecast of some £9m, VG's shares gained 5p to close yesterday at 563p: the traditional imbalance between first and second halves is likely to be more sever than usual, xacerbated by disruption to sales in the US where the company has moved its headquarters from Stamford to Massachussetts. Analysts were encouraged by VG's penetration into Japanese markets and its ability to boost margins under such circumstances, if only by a shade, and full-year estimates remain unaltered at £24.5m-£25m. This puts the shares on a prospective multiple of just over 18, justifiably high for a company able to increase its profits at the rate of 25 per cent a year. It is unlikely to go further until VG is able to win approval from BAT, its 70 per cent shareholder, for a major acquisition for shares.

Slough Estates makes progress

Slough Estates, property development company reported pre-tax profits up from £24.2m to £28m in the half-year to June 30, 1987, and the interim dividend is raised from 2.5p to 2.8p net — last year's total was 6.5p.

UK rentals rose from £26.4m to £29.3m, but overseas rentals were little changed at £8.8m compared with £8.6m. Sales of utilities were lower at £7.8m against £8.5m; merchandising sales were £3.3m (£3.1m), and sales of trading properties totalled £31.6m (£1.5m).

Tax for the period was higher at £7m (£6.7m). After a minority debit of £1m (£300,000), profit attributable to shareholders was up from £17.2m to £20m. Stated earnings per 25p share improved from 6.6p to 7.4p.

The directors said the pre-tax figure included a currency profit of £2m. The 1987 earnings include the group's 52.2 per cent interest in Bredero Properties, acquired at the end of 1986.

● comment

As corporate names go, Slough Estates is not the most romantic moniker on the Stock Exchange and despite the company's impressive long-term growth record, it has failed to attract the whizz-kid image of some of its rivals. But the company has recently stepped up its trading and commercial property activities, with the help of the purchase of a majority stake in Bredero. And with industrial property values rising, Slough is enjoying a buoyant period for profits. For the full year, profits could hit £60m putting the shares, at 278p, on a prospective p/e of just over 17; it also means that they are trading at around the prospective net asset value. Considering the group's record and the hefty premiums attracted by some other companies in the property sector, the shares do not look overvalued.

Lister in £15m property sale

BY NIKKI TAIT

Lister, the branded homewear and textiles group, yesterday announced the sale of its major property asset — a 120,000 sq ft office and shop property in London's New Oxford Street.

The buyer is Randsworth Trust, the fast-growing property developer headed by Mr David Holland and Mr Andrew Nichols, which is paying £15.3m in cash. Randsworth says it plans to refurbish and redevelop the property when the bulk of the lease — covering all the office element — expires in 1990. Yesterday Mr Nichols added that the company hoped, subject to planning consents, to be able to increase the net lettable space by around 20 per cent.

Lister gained almost one-third of its £3.2m pre-tax profits from rents on property in 1986/87, where occupants include the Department of the Environment and retail group, Argos. However, last February it decided to invite offers for the asset, and said there has been considerable interest, with Randsworth making the highest offer.

The textile company says that the sale will eliminate bank borrowings, and, according to managing director Mr Michael Dracup, should leave some £2m-£3m in hand. In 1986/87, Lister paid £1.65m in interest charges.

The spare cash, says Lister, will enable it to "accelerate the development of the business of the group and, where appropriate, pursue the acquisition of complementary and counter-cyclical businesses." Yesterday, Mr Dracup said the company did not have any acquisitions immediately in view.

The sale is subject to the approval of shareholders at an egm on September 18.

Shares in Lister fell 20p to 200p on the news; Randsworth were 3p lower at 231p.

B&C/Mercantile

Today is the first closing date for British & Commonwealth Holdings' £577m bid for Mercantile House, financial services group.

Although Mr John Gunn, B&C chairman, warned yesterday that the bid might not be extended, it is unlikely that B&C would be content with less than the 90 per cent acceptances it needs to implement, tax efficiently, the planned disposals of Mercantile's stockbroking and money-broking interests.

The major remaining question is what CrownX, the Canadian group, will do with its 14.9 per cent stake in Mercantile. Even if the offer is declared unconditional today, it will remain open for another 14 days.

Company Notices

UK COMPANY NEWS

Ropner falls 8% to £2.55m halfway

A SHARP improvement in the garden products division helped Ropner to slow its interim profits fall with an 8 per cent drop compared with last year's 33 per cent slide.

The pre-tax figure fell from a restated £2.77m to £2.55m, with lower turnover of £29.1m (£32.22m) for the six months to June 30, 1987. Attributable profits rose from £1.26m to £1.41m and earnings per share climbed from 2.5p to 3p.

Garden products benefited from higher turnover and profit margins over a growing range of products for the home and export markets, directors said. Profits rose 84 per cent from £1.02m to £1.87m.

The volume of Ministry of Defence work at Airtech fell sharply as the Ptarmigan contract neared completion and engineering profits fell from £1.9m to £572,000.

Insurance broking in the UK, which rose from £372,000 to £463,000, included £346,000 from the part sale of a trade investment. In the US the loss was reduced from £292,000 to £266,000 after the sale of the business. Brokerage expected in the second half should reduce the first half loss.

Property profits remained flat at £303,000 (£312,000) with the sale of only one property in the first half.

Increased income earned by Salmonpool on the spot market was more than offset by a weak dollar, said the directors, and saw shipping profits fall from £663,000 to £579,000.

Net interest payments fell from £1.24m to £1.01m following repayment of loans and lower interest rates. The sale of the greater part of the company's holdings in Cameron, Richard & Smith resulted in an extraordinary credit of £420,000.

The directors have declared an increased interim dividend of 3p (2.5p). Interim figures for 1986 were restated to include the result of Sinclair Radio Laboratories as a related company.

● comment

The trouble with Ropner is that success in one subsidiary has invariably been offset by disaster in another—as so well demonstrated in yesterday's figures. After two dull years, garden products showed a spectacular 84 per cent increase in profits, but this was counterbalanced by a 70 per cent decline in the engineering division. Airtech, the manufacturer of communications equipment, has not been able to find new contracts to replace its work on the now concluded Ptarmigan project with Plessey. Unfortunately, Hozelock, the UK's leading purveyor of nozzles, sprinklers, etc, has had to weather competition from Nature in the form of an exceedingly wet summer, and it seems unlikely that the company's strong performance will be sustained in the second half. With the ordinary shares up 1p yesterday to 165p, the shares are trading at over 12 times earnings if Ropner makes £6m in the full year. High—but the prospective yield of 6 per cent is attractive.

Hillsdown's £42m beats forecasts by over £3m

BY NIKKI TAIT

Hillsdown Holdings, the acquisitive food and furniture group, yesterday beat City expectations with first half figures more than doubled from £19.6m to £41.6m pre-tax—some £3m-£4m ahead of most analysts' estimates.

The company says that about half the increase at the pre-tax level comes from organic growth and the remainder from the impact of acquisitions. In terms of operating profits, the organic growth was about 38 per cent.

At the earnings level, the first half advance translates into a 39 per cent improvement — up from 6.14p to 8.53p — helped by a lower-than-expected tax charge of £6.3m (15 per cent), which the company says is indicative of the full year figure. Sales during the six months to end-June were virtually double the previous year's figure at £1.32bn. The largest division in sales terms remains food processing and distribution — now boosted by the Clearwater fish processing businesses: turnover here rose from £159.2m to £439.7m and operating profits from £4.7m to £10m.

The fresh meat and bacon business saw a more modest sales increase, up by a third to £313.9m, although profits recovered from last time's depressed £1.4m, to £4.7m. Hillsdown says the most recent acquisitions, Pyke and Meadow Farm, have done well but that raw material margins on red meat are still unsatisfactory—compounded by Irish imports—and abbattoir closures have continued.

The furniture and timber business has also been enlarged by the Mallinson-Denny and May & Hassell acquisitions, helping profits to £14.4m (£3.3m) on sales of £301.3m (£86m). The company is adamant that problems at Harris Queensway, a major customer for which it is building a dedicated factory, have not impinged and that the new plant will be unaffected.

Results from the poultry division were marred by the effect of competition on the animal feeds interests, but still managed to show a 21 per cent advance to £12.5m on sales of £196.2m (£154.6m).

Property, meanwhile, showed larger-than-expected profits surge, from £1.7m to £6.1m; Hillsdown says there were no particularly lumpy deals distorting first-half figures. The one black spot was stationery, where competition from Tootal hit and there was no organic growth. Operating profits just nudged ahead to £2.6m on sales £2m higher at £28.7m but Hillsdown says the outlook is more encouraging.

The pre-tax figure is scored after net interest payable of £9.9m (£4m). By end-June gearing had risen to 70 per cent and—on the back of the £40m Fairview Estates deal and the £169m acquisition of Toronto-based Maple Leaf Mills this summer—has since increased to about 130 per cent. Hillsdown, however, says it is quite comfortable with the current position and "is not in the rights issue queue." Analysts expect the level to be back into double figures by the year-end.

Hillsdown has now spent £300m on acquisitions during 1987, and invested some £44m in new capital expenditure.

For the current half, it says results look encouraging—leaving analysts to upgrade forecasts to around £105m-£110m pre-tax for the full year (£54.9m). The interim dividend increases from 1.5p to 1.25p.

See Lex

Wates City acquisitions as profits rise 12%

Wates City of London Properties reported interim pre-tax profits up by 12 per cent to £4.34m, against £3.88m and the acquisition of two City properties for a total of £40m cash.

The company said that the purchases represented important steps towards the completion of the company's land assembly programme in respect of two of its future developments at the City Plaza and 80 Cheapside.

The figures for the six months to the end of June 1987 were boosted by higher net interest received of £859,000 (£216,000), but did not have the benefit of last time's exceptional credit of £625,000 resulting from the issue of 25,000 warrants at £25 each. Net rental income rose from £3.53m to £4.11m.

Earnings per share were 2.2p (2.43p) and a maintained interim payment of 0.77p has been declared. The comparative earnings before the exceptional item were 2.06p.

Operating profit, including management fees of £88,000 (£297,000), was £3.48m (£3.04m).

EDINBURGH FINANCIAL TRUST, an investment company, increased its pre-tax profits on ordinary activities from £86,000 to £312,000 in the six months to June 30 1987. The interim dividend is unchanged at 0.1p net, and stated earnings per 25p share were 1.11p against losses of 0.18p. There were realised gains on investment holding portfolio this time of £294,000.

Rugby in £36m cement sale

BY MIKE SMITH

Rugby Group, the cement and joinery group, is to sell its stake in the cement companies through which it first entered the US at the start of the decade.

Its one-third minority interest in RC Cement, comprising River Cement, Hercules Cement and Signal Mountain Cement, is being bought by Italcementi, the Italian group, for £35.7m

The deal will result in an extraordinary profit of more than £5m, as the stake was valued at £16.4m in Rugby's 1986 balance sheet.

Mr Andrew Teare, managing director, said it would help reduce the group's gearing to nil by the year-end. Proceeds would also be available for the company's expansion programme.

During the last three years Rugby has gradually reduced its reliance on cement, largely by building up its joinery and millwork businesses in which it has invested more than £100m.

The latest acquisition, also announced yesterday, is of SDG, a wholesale distributor of millwork products in Richmond, Virginia, for which it is paying $1.5m cash.

Mr Teare said that, by selling RC, Rugby was withdrawing from a company where it had board room representation but no management control. "It was a bit of a dead end," he said. "We like to manage our interests."

The three companies had, however, provided Rugby with useful experience in the US. "When we started in other areas we were able to move very quickly," said Mr Teare.

In 1986 Rugby made pre-tax profits £35.46, up 62 per cent on the previous year. RC contributed £2.6m.

The acquisition by Rugby's US millwork subsidiary, Winter Distributing, of SDG continues the offshoot's expansion from its New England base into Washington, Maryland and Virginia.

Shares in Rugby closed at 268½p, up 12½p.

GKN in £8.3m purchase

BY STEVEN BUTLER

GKN, the automotive components and engineering company, is expanding its Australian industrial services operation with the £8.3m purchase of Macbro Rental by its 66 per cent owned Australian subsidiary, GKN Kwikform Industries.

Macbro is active in the hire of general plant, tradesmen's tools and "do it yourself" equipment, with sales of £2.9m and pre-tax profits of £1.1m in the year to the end of June 1987. It operates from seven sites in Sydney and Canberra.

The consideration is to be satisfied by a cash payment of A$15m (£6.5m), and issue to the vendor of 800,000 new ordinary Kwikform shares, valued at £1.8m. Additional performance related payments may become payable.

Kwikform Industries had 1986 sales of £23m, and a pre-tax profit of £5.5m.

Stat-Plus up 52%

Stationery retailer Stat-Plus Group yesterday reported a 52 per cent rise from £1.15m to £1.75m in pre-tax profits for the half year to June 30 against a 35 per cent increase from £3.65m to £4.92m in turnover.

It is anticipated that sales in the second half will be maintained at the level achieved in the first six months, the directors said. The interim dividend goes up from an equivalent 0.67p to 0.75p from earnings of 5.1p (3.2p adjusted). Tax took £860,000 (£464,000).

Philip Harris to raise £1.6m for expansion

By Fiona Thompson

Philip Harris, the Staffordshire-based supplier of medical and educational supplies and equipment, is to raise £1.6m in a one-for-five rights issue. Up to 1.3m new ordinary shares will be issued at 138p each.

In addition, the company is making a one-for-one scrip issue. These scrip issue shares will be taken into account in the rights issue.

Directors plan to use the increased funds to strengthen and expand the group's market base. More acquisitions, following the successful purchase of Scientific Supplies last year, are planned.

Mr John Haller, chairman and managing director, said yesterday the company was looking for the right mixture of organic growth and acquisitions, which would be mainly of smaller

UK COMPANY NEWS

Williams Holdings comes back with record £18m

BY CLAY HARRIS

Williams Holdings more than doubled pre-tax profits to a record £18.1m in a first half which saw the acquisitive industrial conglomerate bounce back from narrow defeat in its largest takeover bid, to secure the scarcely less ambitious purchase of Reed International's paint and DIY division.

Turnover doubled to £152.4m (£75.1m). At the trading level, *profit more than trebled, as the* 1986 pre-tax figure of £8.5m included an exceptional profit of nearly £3m on the sale of Williams' shares in McKechnie Brothers, an erstwhile takeover target.

Williams' shares in McKechnie bid for Norcros, another industrial holding company, accounted for most of £5.45m in extraordinary costs. A success-linked fee structure limited underwriting costs to £3.9m, against £12.3m if Williams had won, and £7.4m if it had been undertaken on conventional terms.

The first half did not include any contribution from the former Reed units, which entered the group in mid-July. But Williams got the benefit of its Fairey Duport and LMI acquisitions, of which none was in for the full 1986 period.

The acquisition of Crown Paints and Polycell from Reed for a net £250m added to Williams' range of branded consumer and building products. Others include Rawlplug fixing products, Swish window fixtures and plastic building components, Larch-Lap fencing, Banbury and Amdega conservatories and Vi-Spring beds.

The branding emphasis extends to Williams' specialised engineering activities and its car dealerships at the top end of the market. Very little remains of the group's origin as a casting and forging company of which Mr Nigel Rudd and Mr Brian McGowan took control six years ago.

In the wake of the Reed deal, North America accounts for 25 per cent of group profits, continental Europe for about 3 per cent and the UK for the rest.

Fully diluted earnings per share before exceptional and extraordinary items rose to 28.5p (15.4p). Williams will increase the interim dividend to 8p (5p). It forecast a final of 12p (9p).

Williams shares failed to hold all of early gains after the results were announced, and closed 5p higher at 927p. It plans a two-for-one bonus issue to bring the price level closer to comparable shares.

• comment

Williams has not yet put a foot wrong—at least with any acquisition that actually went through — and it has begun to set itself apart from the litter of so-called mini-conglomorates suckled by the early 1980s shake-out of British engineering. Any pause from large acquisitions should be temporary and will not bar smaller *in-fills* and *add-ons* to Fairey and Crown, for example. Success will seem even more poly-*merphous when new "Poly"*-prefixed products begin to emerge from a Polycell thoroughly pasted by Williams' hit-squad. Profits from the unit should double within a year. Now delivering steady increases in earnings per share, with dividends to match, Williams is set to breach £52m pre-tax for the full year, for a prospective p/e of just over 15. Looking ahead to 1988, the multiple drops to 13, considerably below its potential. In the short term the shares should get a psychological nudge from the bonus issue and from next week's major presentation to institutions.

Parts and trucks help Quick to £1.55m

By Ian Hamilton Fazey, Northern Correspondent

H. and J. Quick Group, Britain's largest Ford-only franchise, has reported trebled interim pre-tax profits to £1.55m, against £506,000 last time. Turnover was £71.4m, compared with £60.1m last year.

Announcing a 1.75p interim dividend (0.75p), Mr Norman Quick, chairman, said that the 2.2 per cent return on sales was comparable to the performance of other volume motor retailers.

Quick, based in Manchester, has five car dealerships and two truck outlets. During the first six months of 1987 car sales held steady while the truck division, boosted by Ford's new Transit van, put on 11 per cent. Quickco, parts distributor, reported sales up by 20 per cent and best-ever profits.

The group had a one-for-three rights issue in June and has *£3.1m for motor trade acquisi*tions and the purchase of more sites for used car sales. Invest*ments this year have included* £100,000 in a customer care programme for all employees, *which is aimed at building* customer trust and loyalty.

Fully diluted earnings per 10p share were 17.23p, compared with 8.6p last year on the smaller number of shares. Without the rights issue, the comparable earnings figure would have been 22.42p.

Brammer setback in first half

A NUMBER of factors combinued to cause Brammer to suffer a £773,000 setback to £5.36m in pre-tax profits for the first six months of 1987, comparative figures have been restated.

Turnover for the period was down from £51.2m to £49.04m and the operating profit from £6.57m to £5.62m. Net interest payable was lower at £280,000 (£437,000). The tax charge was £1.91m (£2.21m) and minorities took £1,000 (£3,000 credit). There was an extraordinary debit this time of £486,000, relating to closure and disposal costs.

Stated earnings per share were 8.1p (9.3p) for the unchanged 4.5p interim dividend. The directors said the company was incurring substantial costs concerned with the expansion and development of new product ranges in the UK and US, while at the same time developing the systems and physical market presence of rental service centres across Western Europe.

Short-term growth was being affected by the maturity of the bearing market. The volume of bearings sold was unchanged but gross profit margins were down.

Reduced net margins were also seen in the rental division. Livingston Hire moved to larger premises and also introduced a new communications computer system which caused temporary disruption and affected profitability in the short term.

The mechanical power transmission products and the more recently introduced electrical and electro-mechanical products made good progress, increasing market share. Master Pumps in the US was improving from the depressed levels of 1986 and the precision engineering division followed the historical cyclical pattern with a slow first half and good indications of a stronger second half.

• comment

Shareholders in Brammer cannot be accused of short-termism. Having rejected a Bunzl bid with a cash alternative of 420p per share two years ago, they have seen the shares lag behind the offer price, underperforming both the market and even Bunzl's paper in the process. Now a further slump in pre-tax profits is blamed by the company on its investment in the future and even with a good second half it is unlikely to match last year's pre-tax profits. Perhaps yesterday's fall of only 6p in the share price to 330p reflects wistful hopes that another predator might emerge; perhaps the shares are being supported by the 5 per cent yield. To be fair to Brammer, it has tried hard to diversify from its strong base in bearings as that market has declined; although as the sale of the electrical components side showed, not every option has proved successful. However, another set of bad figures could mean that Brammer's management will not survive long enough to see the fruits of the investments they have made this year.

Sheldon Jones up

Sheldon Jones, animal feed manufacturer and supplier of crop products, produced a marginal improvement in pre-tax profits to £752,000.

Turnover rose from £15.18m to £15.3m for the year to May 31. Earnings per share rose from 9.7p to 9.9p. A final dividend of 3.3p makes 4.65p for the year.

The company has acquired Flaked Animal Ration Manufacturers (Somerset) of Keynsham, manufacturers of Pascoe's dog and cat foods, for £750,000.

Operating profit of £757,000 (£765,000) included £191,564 exceptional income from a property sale, and closure costs of Mosterton Mill resulted in an extraordinary debit of £89,000 (nil).

Wm. Bedford ahead

William Bedford, USM-quoted antique dealer and restorer, *lifted pre-tax profits* by 39 per cent in the six months ended June 30. Although the comparable period benefited from the inclusion of £82,134 capital gains on investments, profits this time were £522,665 against £375,475.

The interim dividend is stepped up to 1.65p (1.5p), to be *paid from earnings* 2p ahead at 7.1p per 5p share.

The second half, not un*usually for the trade*, has started slowly, directors said.

Tax took £183,000 (£135,000).

Black Arrow

Remarks to **Black Arrow** shareholders by Mr Arnold Edward, chairman, about the company's performance were made in the annual report and not at the annual meeting as reported in yesterday's edition. The annual meeting is scheduled for September 30.

Rea Brothers profits down in first half

"Somewhat disappointing" results for the half year to June 30 come from Rae Brothers Group, bankers. Pre-tax profits for the period emerge at £1.08m compared with £1.17m for the corresponding period.

Sir John Hill, chairman, said that once again the off-shore subsidiaries increased their profits as did certain of the UK operations. Overall in the UK, however, mainly due to the volatility of exchange rates and the desirability of providing against a sovereign debt, a less satisfactory performance was achieved.

Tax took £311,000 (£351,000) and after a dividend of £501,000 (n/a) on the convertible preference, earnings per ordinary share emerged at 1p (3.02p) basic and 2.16p (n/a) fully diluted. The interim dividend is raised by 0.2p to 0.65p.

SelecTV

Further losses were incurred by SelecTV in the year to March 31 1987. After an improvement from £96,896 to £117,130 in turnover there was a reduction from £262,202 to £239,659 in the pre-tax loss.

The directors said they were acutely aware that the company's present resources will not sustain losses indefinitely or permit business development in new areas, without significant injection of new capital. The board is therefore actively examining alternative courses of action which could require some financial or business restructuring of the company.

Loss per 10p share of this USM-quoted company was 1.75p (1.91p).

Atlantic Computers agrees $3m US distribution deal

Atlantic Computers, the computer *leasing company*, has agreed a tie-up with Wall Data Incorporated of the US which *will give Atlantic the right* to distribute Wall Data's communication products outside the US and Canada.

The deal has been reached through Atlantic Network Systems, an Atlantic subsidiary. Atlantic Network will inject $3m (£1.85m) into Wall Data over the next year and will be given the option of taking a 30 per cent stake in the company.

As part of the deal, Wall Data will acquire the US manufacturing rights for Atlantic Network's Orator voice/data product for IBM compatible personal computers.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetables.

TODAY

Interims: British Printing and Communication, *Cadbury Schweppes*, European Home Produce, Federated Housing, Frost, Glentree, Godwin Warren Control Systems, Great Southern, Halls Homes and Gardens, *Lambert Howarth*, Metal Closures, Morgan Grenfell, Newage Transmissions, Orchid Technology, Osprey Communications, Pentos, *Portals*, Sharpe and Fisher, *Wayne Kerr*, Wickes.

Finals: *Bracken Mines*, Kleinwort Benson International Income Fund, Leslie Gold Mines, Personal Computers, Raglan Property Trust, Unisel Gold Mines, Winkelhaak Mines.

FUTURE DATES

Interims—

Bluebird Toys	Sept 22
Computer People	Sept 16
Davidson Pearce	Sept 27
Earlys of Witney	Sept 28
Kleinfold	Sept 14
Lancaster	Sept 17
Menzies (J.)	Sept 28
Mersey Docks and Harbour	Sept 7
Morrison Supermarkets	Sept 18
Neill (James)	Sept 9
New Darien Oil	Sept 9
Nurdin and Peacock	Sept 9
RTZ	Sept 16
Reckitt & Colman	Sept 17
Tronoh Mines Malaysia	Sept 30
Wilkes (James)	Sept 9

Finals—

Copson (F.)	Sept 4
Electron House	Sept 8
FII Group	Sept 28
Interlink Express	Sept 8
Plico	Sept 10
Zambia Copper Inv.	Sept 18

MONTHLY AVERAGES OF STOCK INDICES

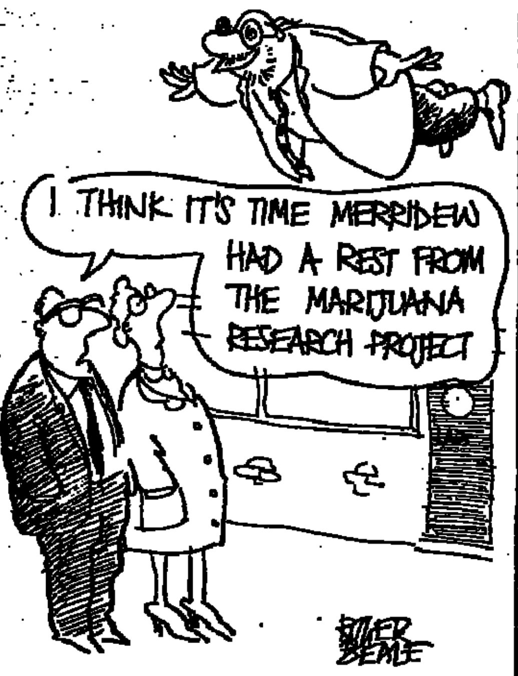
	August	July	June	May
Financial Times				
Government Securities	86.13	89.97	91.75	92.43
Fixed Interest	94.29	97.45	98.21	97.83
Ordinary	1,758.3	1,855.2	1,759.8	1,674.1
Gold Mines	440.9	420.2	385.6	428.7
SEAQ Bargains (5p.m.)	41,270	53,501	48,405	47,665
F.T.—Actuaries				
Industrial Group	1,173.47	1,229.53	1,173.72	1,117.78
500 Share	1,265.96	1,327.37	1,261.63	1,196.58
Financial Group	804.72	853.00	785.00	734.98
All-Share	1,147.72	1,200.11	1,132.34	1,072.67
FT-SE 100	2,256.3	2,366.7	2,265.8	2,148.7

	Aug. High	Aug. Low
Ordinary	1,815.1(3rd)	1,700.2(20th)
All-Share	1,188.43(3rd)	1,114.81(20th)
FT-SE 100	2,334.3(3rd)	2,185.3(20th)

TECHNOLOGY

Marijuana proves to be the solution for glaucoma sufferers

By Canute James in Jamaica



SUFFERERS from glaucoma, an ailment of the eye which can lead to blindness, will soon have a chance to obtain treatment based on a medicine derived from an unusual source. A decade of research in the Caribbean to find a treatment for the disease has resulted in the commercial marketing of a drug prepared from the marijuana plant.

The treatment is now being marketed in the Commonwealth Caribbean, following the start of commercial production last month by Ampec Chemicals, a Jamaican company.

Richard Wells, Amtec's general manager, says a major hospital in Britain, which he does not name, has asked for samples of the marijuana extract, and a request for approval of the drug from the US Food and Drug Administration will be made when the manufacturers are able to finance it.

Glaucoma, which cannot be cured, is brought on by high intraocular pressure which damages the optic nerve. It leads to blindness if untreated, and is one of the leading causes of blindness in many parts of the developing world. The pressure is caused by a build up of liquids in the eyeball, and impaired vision is usually the first sign of the problem. It is traditionally treated by drugs which temporarily reduce intraocular pressure, or by eye surgery.

The research and identification of an active agent in marijuana which significantly lowers intraocular pressure was done by Professor Manley West of Jamaica, head of the pharmacology department of the University of the West Indies, and Dr Albert Lockhart of St. Vincent, a former head of the opthalmology department of the Kingston Public Hospital.

The treatment is applied as opthalmic eyedrops from bottles of five millilitres each. But the active ingredient of the marijuana derivative represents 0.1 per cent of the treatment.

"There is no danger of patients becoming addicted to marijuana by using this treatment," explains Wells. "The narcotic component of the marijuana is taken out altogether, and one advantage of this treatment is that it is not absorbed into the bloodstream."

The development of the treatment from marijuana was based on a long held belief in Jamaican folk medicine that marijuana, extensively and illegally cultivated and used on the island, has valuable medicinal properties not admitted by modern science.

One persistent claim has been that people who use marijuana rarely need to wear spectacles. Despite legal sanctions, backed by scientific research, which indicate that the drug is generally bad for health, there are those that hold the view that there is something in marijuana that is good for the eyes.

Research into the new treatment took just over a decade of largely-unaided effort by both men, and their work was hardly helped by no small amount of cynicism from many quarters, based on the fact that their raw material was an illegal substance.

The identification of the element in marijuana to treat glaucoma could have been completed two years earlier, as it took West and Lockhart that long to obtain the Jamaican Government's permission to use marijuana in their work.

The researchers were also hampered by a lack of technical and financial support. They were eventually allowed obtain quantities of marijuana under the supervision of the police.

"The raw material which we use in our production process is obtained under similar controlled conditions from the Ministry of National Security," says Wells.

Rabbits and dogs were used to test the treatment after the first extracts from marijuana were produced in 1976. Their intraocular pressure was measured and compared before and after applications of the treatment. When they showed no ill effects from the use of the eye drops made from marijuana, tests were done on humans, and the treatment proved successful.

The formula is a closely guarded scientific and commercial secret. "It is protected under patent," reports Wells.

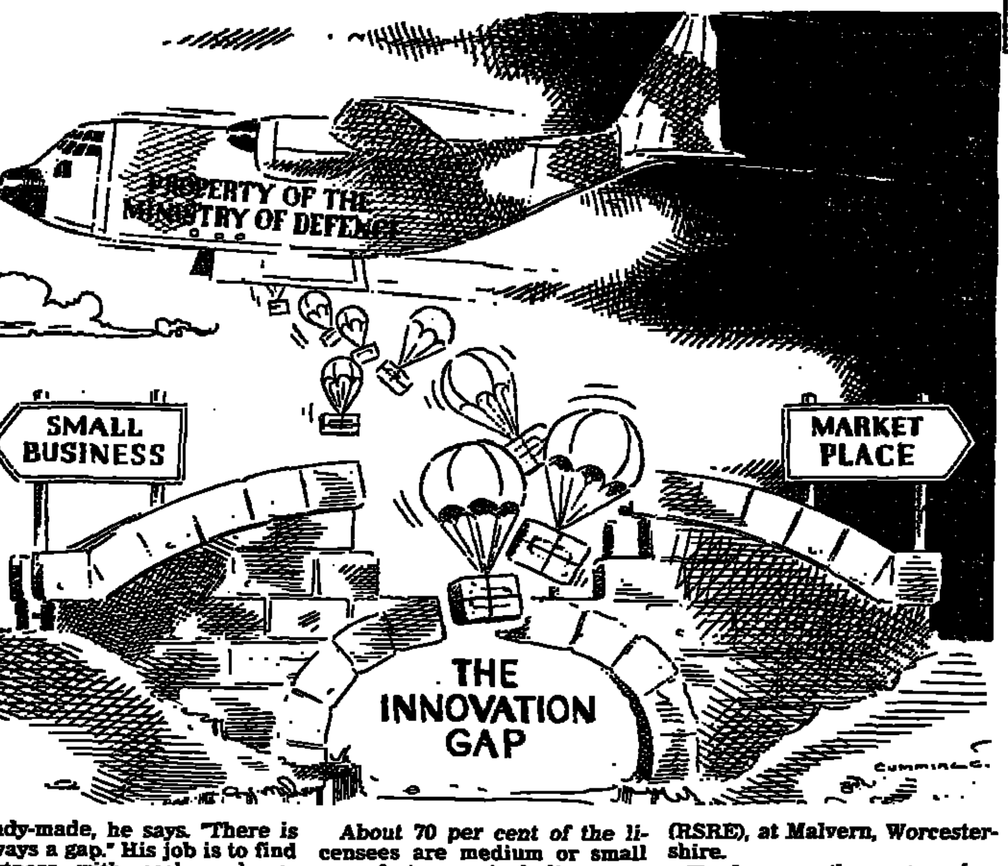
As word of the success of the research spread through the medical community, unsuccessful efforts were made by drug companies to purchase the formula for the treatment. And the work of the two Caribbean researchers is likely to increase interest in other possible medicinal qualities of marijuana.

With the success of efforts to find a treatment for glaucoma, there are already suggestions within medical circles in the Caribbean that the marijuana plant could eventually provide the basis for an even more important development - a cure for glaucoma. There are also indications that extracts from the plant can be used to treat terminal cases of cancer.

Jamaican folk medicine, vindicated by the breakthrough in the treatment of glaucoma, also holds that tea made from the marijuana plant can cure asthma, flu and diarrhoea.

Ferrets at play in the MoD

David Fishlock examines a route into UK defence research



COMPANIES searching for new products, but with insufficient research and development(R and D) facilities, may be able to get help from the UK's Ministry of Defence.

As payers of corporate taxes, companies contribute to the ministry's £3bn-a-year R and D programme. The innovative output of its 23,000 scientific staff includes products or processes with commercial potential - and there is a way to gain access to them.

The brokerage which companies can brief to ferret for them is called Defence Technology Enterprises. Backed by eight City institutions, it has staff inside four of the six MoD research centres. DTE "ferrets" liaise with Government scientists in trying to identify and separate out ideas with potential beyond the ministry's needs.

Barclays Bank, BASE International, British Technology Group, Citicorp Venture Capital, Electra Investment Trust, Lazards, the merchant bank, the Prudential insurance group and bankers Robert Fleming are the eight shareholders. And DTE has recruited more than 200 associate members: companies paying £1,000 a year - less if their turnover is under £50m - for a window on about half of Britain's publicly funded R and D.

When DTE set up shop in Milton Keynes less than three years ago, its preoccupation was to attain enough freedom for the ferrets to find something useful, says Mark Burrell, board member of Lazards and its parent company Pearson.

Burrell worked closely with Sir Colin Fielding, then controller of the MoD's research centres, to find a formula for technology transfer that would not breach the security surrounding much of the research. Fielding, since retired, joined DTE last month.

Now that the way has been cleared for the ferrets - both the MoD and the Government want to see defence technology more widely used - the problems are more of finding the right kind of partners and identifying enough "market pull". Bernard Herdan, DTE's managing director, accepts that there was too much initial worry about access when the core of the business was technology transfer and licensing.

The products do not come ready-made, he says. "There is always a gap." His job is to find partners with cash and patience, who are willing to try to build a bridge to the market.

The eight shareholders, who have put up the cash for DTE as an unsecured loan, are looking for an investment opportunity of the order of £1m or more. They have contemplated one or two but have yet to take the plunge, says Burrell.

So far the ferrets have mostly found potential products which can be made more saleable with relatively modest spending. About 25 ideas have gained financial backing from companies. Each commitment averages only a few tens of thousands of pounds, explains Herdan.

Licences have been negotiated for, among other things, laser-based instruments, surveillance technology and chemicals that prevent icing-up. Ideas not yet licensed include patient monitoring adapted to a military field hospital, which Herdan thinks could find a market in developing countries, and a simple ultraviolet monitoring device that "won't cost more than a pair of good sunglasses."

About 70 per cent of the licensees are medium or small manufacturers, including ones starting up, and many have no R and D of their own.

For half-cooked ideas, DTE can either try to persuade the MoD scientists to do the extra work, or place it with an associated contract R and D laboratory - Fulmer and Frazer-Nash are among its associate members. In two cases, it has an option to take equity in a new business if further R and D is successful.

Several companies have asked DTE to meet more specific requirements. Through the ferrets, it can mount a directed search and then manage whatever additional R and D is needed. It has a staff of about 20 and a larger corps of freelance consultants under contract, who work for a percentage of the returns.

This summer it negotiated its first joint venture, with Real-Time Consultants, a computer software company in Leamington Spa, Warwickshire. For the first time, it is committing cash of its own to searching for civil uses for powerful software developed at the Royal Signals and Radar Establishment (RSRE), at Malvern, Worcestershire.

Herdan says the partner has growing capabilities for marketing and support of specialised software products. One of these is called Scribel, which has more than 40 regular users in RSRE. Another, called Boom, generates three-dimensional simulations of weapon effects and could be adapted to simulate complex situations such as road accidents.

Mark Burrell accepts that DTE is in a risky area of business and will have failures. It has already had the disappointment of firms withdrawing support at a late stage of negotiations, but no licence deals have gone sour yet, he says.

DTE began life with a five-year franchise from the end of 1984, but has since obtained an extension to 1994. Burrell is satisfied there will be no shortage of technology to transfer.

He admits there was some initial nervousness on the part of major defence contractors, who worried whether the venture might "steal" ideas in which they had participated. However, as associate members they have first refusal on all the ideas ferreted out. In practice, there has not been a problem, even with companies such as Rolls-Royce and British Aerospace which have in-house technology transfer mechanisms.

Herdan, whose background is in space technology, says his main object is to transfer defence technology into a civil setting, not to have it recycled by a defence manufacturer. To stress this point, the civil sector is offered better licensing terms.

DTE has tried to sharpen its focus by identifying areas of special interest to member firms. One is computer software - more than 40 firms recently attended a "software day" based on Malvern's ideas. Others include sensors, instrumentation and advanced materials.

It has obligations to the MoD and member firms not to sit on or suppress technology, for instance, in the interests of shareholders. "And I've got to avoid any shareholder getting preferential rights," says Herdan. He is, of course, also privy to a great deal of classified data that must be safeguarded.

He needs close co-operation from the MoD, even though any significant use of its time or space is paid for. But the main interface is in the patents branch. Technology transfer is an international business and DTE is demanding an ever-increasing amount of foreign patent cover. The agreement stipulates that the MoD will defend patents on DTE's behalf.

Herdan makes a small payment to MoD each time he takes an option on a product or process - and the ferrets are finding them at the rate of 20 a month. About 80 are active and he expects at least half to find a licensee.

A typical licence deal is expected to earn between £150,000 and £200,000 over five years, some up front, but mostly as royalties on sales. Last year, the total income was £250,000, mostly in fees from associate members seeking sight of the portfolio. Herdan's target is 25 licences a year in another two years, and royalty revenues of £2m by 1991.

To achieve this, DTE has strengthened its management team by recruiting Fielding as business development director and Frank Chorley, a former Plessey executive, as commercial director. "Now we feel we have a proper board," says Burrell.

FT-ACTUARIES INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS Figures in parentheses show number of stocks per section	Tuesday September 1 1987 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (ACT at 27%)	Est. P/E Ratio (Net)	xd adj. 1987 to date	Fri August 28 Index No.	Thur August 27 Index No.	Weds August 26 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (211)	953.86	+0.6	7.24	2.87	17.38	14.50	948.11	942.81	943.88	708.21
2	Building Materials (30)	1202.41	+1.8	7.40	2.86	16.82	17.82	1181.18	1178.17	1182.32	813.06
3	Contracting, Construction (33)	1705.41	−0.2	7.08	2.82	18.90	20.05	1709.02	1690.43	1698.24	1251.18
4	Electricals (12)	2444.73	+0.6	5.79	3.06	22.27	41.07	2431.18	2436.99	2457.28	1909.53
5	Electronics (35)	2019.04	+0.1	7.97	2.47	16.35	33.73	2016.55	1990.44	2006.53	1534.19
6	Mechanical Engineering (59)	519.27	+0.1	7.75	3.25	16.24	8.99	518.81	515.36	511.25	398.18
8	Metals and Metal Forming (7)	558.94	+0.3	6.89	2.87	17.51	6.86	557.15	553.59	553.60	348.41
9	Motors (14)	385.17	+0.5	7.58	2.85	15.43	5.40	383.18	383.03	382.23	285.61
10	Other Industrial Materials (21)	1629.51	+1.0	5.86	3.00	20.59	24.27	1612.95	1615.36	1612.13	1303.28
21	CONSUMER GROUP (183)	1304.86	+0.7	6.12	2.61	20.87	16.52	1295.50	1294.57	1298.11	955.00
22	Brewers and Distillers (22)	1156.66	+0.1	8.10	3.09	15.63	15.79	1154.94	1159.12	1160.77	957.04
25	Food Manufacturing (24)	1010.70	+0.6	6.93	3.02	18.74	15.60	1004.40	1002.41	1013.95	714.91
26	Food Retailing (16)	2415.16	+0.6	5.98	2.40	22.27	36.46	2401.45	2381.60	2411.94	1964.24
27	Health and Household Goods (10)	2520.77	+0.9	4.05	1.59	28.85	16.41	2498.06	2530.58	2528.06	1568.09
29	Leisure (31)	1360.76	+0.2	6.07	3.25	20.56	24.25	1358.23	1357.22	1365.27	941.45
31	Packaging & Paper (15)	695.23	+0.3	5.87	2.50	22.56	8.51	692.83	685.45	684.92	495.91
32	Publishing & Printing (13)	4574.50	+0.3	4.53	3.10	28.34	59.63	4561.46	4496.40	4420.10	2581.53
34	Stores (36)	1066.74	+1.5	6.63	2.72	20.48	13.30	1051.38	1043.99	1043.98	923.41
35	Textiles (16)	808.54	+0.9	7.67	2.77	15.13	11.83	801.59	805.31	812.08	531.20
40	OTHER GROUPS (89)	1132.07	+0.4	7.59	3.11	16.46	18.12	1128.05	1129.15	1132.31	797.98
41	Agencies (18)	1698.86	+0.3	4.02	1.41	32.79	14.64	1693.10	1699.55	1703.04	0.0
42	Chemicals (21)	1467.69	+0.8	6.69	3.11	18.27	31.40	1456.69	1460.99	1452.16	989.98
43	Conglomerates (12)	1449.15	+0.3	7.16	3.24	15.97	20.26	1444.41	1449.82	1460.38	0.0
45	Shipping and Transport (12)	2258.88	+0.3	7.12	3.53	18.69	39.02	2252.40	2242.39	2253.14	1492.78
47	Telephone Networks (2)	1083.69	—	9.36	3.73	14.25	18.98	1083.05	1075.68	1077.78	823.64
48	Miscellaneous (24)	1638.17	+0.4	8.46	2.71	14.17	21.14	1631.75	1645.95	1661.09	1092.90
49	INDUSTRIAL GROUP (483)	1181.80	+0.6	6.81	2.82	18.55	16.81	1174.86	1173.10	1175.85	859.97
51	Oil & Gas (17)	2270.46	+2.1	7.28	4.16	17.00	56.53	2223.52	2227.72	2214.95	1364.25
59	500 SHARE INDEX (500)	1274.21	+0.8	6.88	3.02	18.29	20.24	1263.89	1262.63	1264.07	903.19
61	FINANCIAL GROUP (118)	815.74	+1.0	—	3.72	—	16.87	807.92	802.38	803.42	623.66
62	Banks (8)	817.68	+0.4	16.32	4.76	8.10	25.65	814.08	813.23	816.42	695.44
65	Insurance (Life) (9)	1089.42	+1.8	—	3.92	—	21.09	1070.44	1059.85	1052.04	900.74
66	Insurance (Composite) (7)	615.57	+2.0	—	4.30	—	13.39	603.21	588.79	584.36	493.35
67	Insurance (Brokers) (8)	1250.50	+0.8	8.90	4.53	14.38	26.47	1240.98	1245.84	1247.34	1175.32
68	Merchant Banks (11)	494.87	—	—	2.74	—	6.92	495.03	497.89	500.74	343.16
69	Property (47)	1255.42	+1.2	3.81	2.36	33.96	13.34	1240.34	1228.34	1237.37	781.08
70	Other Financial (28)	553.31	+0.2	6.04	2.76	20.96	7.91	552.21	550.73	551.36	350.53
71	Investment Trusts (91)	1135.81	+0.2	—	2.13	—	13.02	1133.57	1125.86	1129.54	811.86
81	Mining Finance (2)	651.28	+2.7	5.18	2.55	22.16	6.79	633.85	625.17	625.81	289.84
91	Overseas Traders (10)	1182.38	—	7.65	3.99	15.51	29.58	1182.51	1174.29	1163.75	652.16
99	ALL-SHARE INDEX (722)	1156.31	+0.8	—	3.09	—	19.00	1146.69	1143.98	1145.30	822.97

	Index No.	Day's Change	Day's High	Day's Low	August 28	August 27	August 26	August 25	August 24	Year ago
FT-SE 100 SHARE INDEX ‡	1925.8	+27.7	1927.3	1909.6	1898.1	1878.6	1895.8	1874.9	1910.7	1672.8

FIXED INTEREST

	PRICE INDICES	Tues Sept 1	Day's change %	Fri August 28	xd adj. today	xd adj. 1987 to date
	British Government					
1	5 years	120.34	+0.17	120.17	0.04	7.48
2	5-15 years	133.55	+0.38	133.04	—	9.66
3	Over 15 years	141.87	+0.72	141.03	0.18	9.16
4	Irredeemables	154.76	+0.56	154.26	0.35	8.81
5	All stocks	131.52	+0.38	131.07	0.04	8.90
	Index-Linked					
6	5 years	119.71	−0.16	119.90	—	2.18
7	Over 5 years	113.04	+0.02	113.01	—	2.40
8	All stocks	113.42	—	113.41	—	2.37
9	Debentures & Loans	113.94	+0.18	113.73	—	6.93
10	Preference	84.47	−0.05	84.51	—	3.80

	AVERAGE GROSS REDEMPTION YIELDS		Tues Sept 1	Fri August 28	Year ago (approx.)
	British Government				
1	Low	5 years	9.62	9.67	8.29
2	Coupons	15 years	9.90	9.95	9.11
3		25 years	9.70	9.77	9.13
4	Medium	5 years	10.44	10.51	9.45
5	Coupons	15 years	10.14	10.22	9.41
6		25 years	9.92	9.99	9.31
7	High	5 years	10.50	10.57	9.54
8	Coupons	15 years	10.33	10.40	9.57
9		25 years	9.95	10.02	9.42
10	Irredeemables	†	9.85	9.92	9.14
	Index-Linked				
11	Inflat'n rate 5%	5 yrs	3.35	3.29	3.48
12	Inflat'n rate 5%	Over 5 yrs	3.98	3.98	3.48
13	Inflat'n rate 10%	5 yrs	3.25	3.19	2.19
14	Inflat'n rate 10%	Over 5 yrs	3.97	3.97	3.32
15	Debs &	5 years	11.42	11.56	10.05
16	Loans	15 years	11.41	11.52	10.34
17		25 years	11.41	11.47	10.37
18	Preference	†	10.83	10.83	10.83

‡Opening index 2261.6; 10 am 2254.4; 11 am 2252.0; Noon 2248.5; 1 pm 2248.6; 2 pm 2249.0; 3 pm 2252.1; 3.30 pm 2257.8; 4 pm 2257.3

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London EC4P 4BY, price 15p, by post 32p.

CONSTITUENT CHANGES: Babcock International (6) and Stewart Wrightson (67) have been deleted. V.P.I. (41) has been inserted.
NAME CHANGES: Marlborough Technical Management (42) has become M.T.M.

COMMODITIES AND AGRICULTURE

Harvest gloom in Argentina

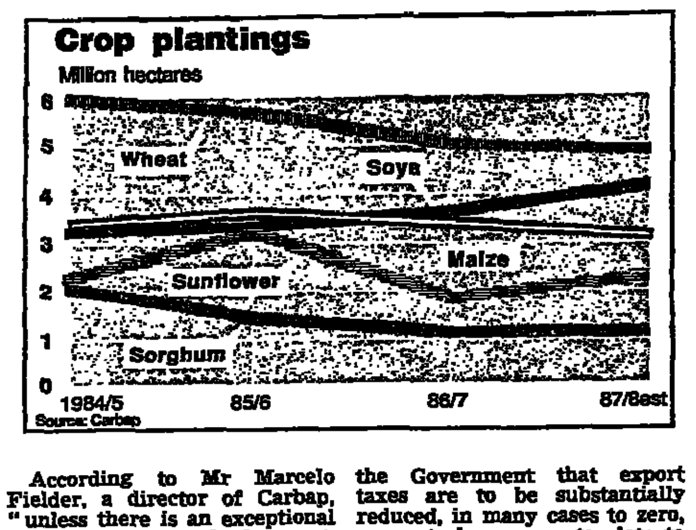
BY TIM COONE IN BUENOS AIRES

ARGENTINA'S private sector grain analysts are taking a much more gloomy view than their Government of the country's 1987-88 harvest prospects. While agreeing that substantial increases are on the cards for oilseeds crops they expect production of wheat and coarse grains for animal feed to continue the recent slide.

Latest estimates by Carbap, a leading farmer's association in the main grain-growing regions of Buenos Aires and La Pampa provinces, contrast sharply with upbeat estimates made earlier this week by the Agriculture Ministry, which predicted a substantial increase in all plantings this season.

"On the basis of seed sales total plantings of cereals and oilseeds can be expected to increase by between 10 and 15 per cent this year," said a Ministry official. He added that wheat sowings had grown by 2 per cent to 5.1m hectares.

Carbap estimates, however, that while areas sown to soya and sunflowers should increase by 10 and 20 per cent respectively this season, wheat plantings are down by between three and 5 per cent and maize plantings by between 10 and 15 per cent. It expects sorghum plantings to remain at the depressed 1986-87 level of 1.1m hectares.



According to Mr Marcelo Fielder, a director of Carbap, "unless there is an exceptional crop this year, total wheat output will not exceed 9m tons." On the same basis maize production can be expected to fall to between 10m and 11m tons.

Mr Fielder said that wheat plantings were almost complete, apart from 200,000 hectares in the south which have been delayed by damp weather, while a substantial part of the maize crop had still to be sown. Sowings of oilseeds have yet to begin and estimates are based on seed sales.

So July's announcement by the Government that export taxes are to be substantially reduced, in many cases to zero, seems to have come too late to make a substantial impact on the coming year's grain output.

Export taxes on wheat (5 per cent) and maize and sorghum (both 15 per cent) are to be eliminated altogether, while the 15 per cent taxes on sunflower seeds and soya beans are to be reduced to 10 per cent and 11 per cent respectively. Also to be eliminated are the export taxes on sunflower seed oil (6 per cent) and soya bean oil (3 per cent).

Farmers are sceptical, however, according to Mr Jorge Masson, another Carbap director. "The announcement has been made, but we are still awaiting its implementation," he commented, "and other problems such as high interest rates, rising raw material costs and generally depressed prices are continuing to undermine farmers' confidence, especially in wheat and maize."

The Government financing problems are thought to be the main cause of the delay in implementing the export tax reductions. Their removal will reduce Treasury income by some $250m this year, around 3 per cent of total tax income, just as the Government faces a wave of strikes and wage demands in the public sector, and heavy pressure from the IMF and creditor banks to reduce the fiscal deficit.

The latest crop forecasts will also throw off target the trade surplus projections for 1988 upon which are based estimates for new financing needs from Argentina's bank creditors to service its $54m foreign debt. In the recently published five-year plan 1987-1991, agricultural exports are targetted to rise from an estimated $5.1bn in 1987 to $6.3bn in 1988, a figure already considered highly optimistic.

Work resumes at Finnish nickel plant

By Olli Virtanen in Helsinki

WORK AT Outokumpu's refinery at Harjavalta, Finland, has resumed after a five-day strike by 700 workers which stopped all nickel production.

Copper production did not suffer, according to the company, since the smelting unit was already switched off.

The company claimed nickel losses amounted to "no more than 300 tonnes," but did not reveal its financial losses from the strike. These are understood to be substantial as rising demand for nickel has recently lifted prices well above £3,000 a tonne.

Canadian gold mine venture

By Robert Gibbens in Montreal

WESTMIN RESOURCES, the mining arm of Brascan of Toronto, plans to put two gold and silver properties in North West British Colombia into production by the end of 1988, at a cost of about C$76m (£35m).

Westmin controls both properties and a mill already exists on one of them. The project is estimated to be capable of producing an annual average of 76,000 ounces of gold and 650,000 ounces of silver over the first five years of operation at average production costs of US$166 per oz of gold.

LONDON METAL EXCHANGE WAREHOUSE STOCKS
(Change during week ended last Friday)
(tonnes)

Aluminium		
standard	−2,900 to	86,850
high grade	+15,150 to	49,350
Copper	+1,875 to	111,000
Lead	−2,750 to	20,600
Nickel	+246 to	3,618
Tin	−285 to	22,230
Zinc	+5,425 to	34,625
	(ounces)	
Silver	−866,000 at	19,148,000

US/Australia beef row ends

BY DEBORAH HARGREAVES IN NEW YORK

SOME 10m lbs of Australian beef started to move into US inspection centres yesterday, marking the end of a dispute between the US Department of Agriculture and the Australian Government over pesticide residues in some of its beef shipments.

At a meeting in Washington last week Australian officials agreed to carry out additional sampling and testing on some of its boneless beef processed at 41 centres in Australia before May 26.

On May 26 Australia introduced more stringent testing methods for all its boneless beef following US Government complaints that pesticide residues in some shipments were reaching unacceptable levels. However, US officials subsequently found higher residues in shipments of beef processed before that date, and they refused to carry out routine inspections on some 30m lbs of beef, effectively barring it from distribution.

Additional data provided by the Australian Government last week enabled the US Department of Agriculture, to pinpoint high risk processing centres in Australia, officials said. The US is now allowing beef from 24 centres to be inspected before distribution.

Beef from the other processing plants, some of which is en route or being held in storage in the US will be tested by the Australian Government to decide whether to present it for US inspection.

Boneless beef is used for processing into mince beef and tin products.

Spanish farmers condemn EC maize import move

SPANISH FARMERS have condemned a European Community decision to raise the rebate on import levies for maize from outside the Community, Reuter reports from Madrid. They claim that cheaper imports will severely penalise domestic producers.

The National Farmers and Cattlebreeders Association said that higher rebates would benefit only US farmers. "Domestic prices for maize have slumped as a result of cheap imports and the market is saturated," the association said.

The EC cereals management committee agreed last week to increase the levy rebate on maize imports from 40 European currency units (Ecu) to 58.5 Ecu per tonne.

Mr Juan Felipe Roy, a spokesman for Spain's agricultural marketing board, Senpa, said the EC wanted the new rate to come into force from Tuesday this week but bureaucratic hold-ups may delay its application until next week.

The lower import tariffs are designed to compensate the US for the loss of traditional markets as a result of Spain's entry into the EC in January 1986.

Until 1986, the US was the main supplier of maize to Spain. In the 1985/86 season (July/June) Spain imported a total of 3.19m tonnes of maize of which 2.44m came from the US, Senpa figures show.

Revised sugar pact likely to be adopted

DELEGATES TO a UN sugar conference in London next Thursday and Friday are expected to adopt a new administrative International Sugar Agreement, Reuter reports.

The distribution of the budget between exporters and importers, which has been the main point of contention in negotiations, now seems to have largely been settled, delegates said. Exporters are expected to contribute just under 60 per cent of the budget in the new agreement. In the previous pact the budget had been split equally.

The importers are due to meet next Tuesday to discuss the distribution of their 40 per cent share of the budget.

UK apples set for export windfall

BY OUR COMMODITIES STAFF

ENGLISH APPLE growers are set to reap the rewards of a poor European harvest of apples, which were damaged by poor weather conditions earlier this year.

The EC crop is expected to be 7.5m tonnes, down by 10 per cent on last year, while the crop of English Cox apples is estimated at 105,000 tonnes, compared with last year's 94,800 tonnes.

The whole of north-west Europe's crop was hit by frost damage last spring, according to Mr Dick Walding, chief executive of the Apple and Pear Development Council.

Poland, a large supplier of apple juice, suffered temperatures as low as −35° Celsius. It is likely to take the country's devastated orchards several years to recover.

The shortage of European fruit was certain to help the market for English apples this year, said Mr Walding.

"There is a reasonable supply of English Coxs this year to meet any increased demand," he added.

Rapeseed rules in Winnipeg

David Owen reports on a vintage year for Canada's leading commodity exchange

THE VENERABLE Winnipeg Commodity Exchange has celebrated its centennial year with something of a vintage trading performance.

In the 1986/87 crop year, which ended on July 31, a total of 2.27m futures contracts worth some C$8.8bn (£4bn) changed hands.

While that was considerably less than the volume transacted at either of the huge Chicago futures exchanges in a single month, it was Winnipeg's highest annual volume figure since 1952/53. May 1987 saw over 236,000 lots traded, the highest volume at the exchange since 1943.

Largely responsible for the overall 27 per cent 1986-87 volume increase at the exchange was the continued success of its rapeseed futures contract, which registered an impressive 37 per cent volume rise. While that was by no means the sharpest year-on-year increase (wheat and oats futures posted gains of 62 per cent and 55 per cent respectively), it lifted the rapeseed contract's share of total business to well over 50 per cent, compared with less than a third in 1979-80.

Exchange officials and traders attribute the contract's success to two principal factors.

First, as the world's only rapeseed futures contract it has developed into an international market with commercial interests in Japan, Australia, West Germany, France and Sweden, among others, using it to hedge their physical market exposures, according to Mr Doug Ford, the exchange's president.

Second, 1986-87 was a bumper crop year for rapeseed in Canada — the world's largest producer and exporter. Overall exports totalled more than 2m tonnes, with sales increasing to Mexico, Bangladesh, India and the US, as well as Japan — traditionally the biggest buyer. In addition, a record 1.5m tonnes of rapeseed was crushed domestically.

The rapid growth of rapeseed futures and the expanding Canadian trade wih US crushers have meanwhile revided a project (on the agenda for several years) to establish a fully-fledged rapeseed products complex in Winnipeg, modelled on the successful soyabeatn complex at the Chicago Board of Trade.

That would see the launch of rapeseed oil and meal futures contracts at the exchange, together with a possible rapeseed option to trade alongside the thriving rapeseed futures pit.

For such a project to succeed, however, Mr Ford believes that major commercial players such as rapeseed crushers "have to be totally dedicated and be there trading day in ,day out."

Currently, it seems, many are content to use the Chicago soyabean products contracts as a proxy hedge, on the basis that price movements for both rapeseed and soyabean products tend to be geared to the same factors. Consequently, Mr Ford will say only that "maybe within the next year the time (to embark on the rapeseed products complex) might be right."

This year's success must have come as a considerable relief to the exchange after recent trials and tribulations. These have included the suspension from trading and bankruptcy in May 1986 of the brokerage firm, Can Am Commodities Corp.

The WCE eventually paid C$250,000 in compensation to farmers and grain companies who used the company to buy and sell contracts on the exchange. Even so, Mr Ford estimates, eligible creditors received just 80-85 cents for every dollar owed to them.

One positive side-effect of the Can Am collapse has been the rigorous scrutiny to which the exchange's monitoring and policing procedures have since been subjected. "We tightened up on the financial requirements for each corporate member of the exchange and reviewed all trading practices," says Mr Ford. The exchange had also increased its policing capability and will be monitoring members more closely than in the past, he adds. As part of the overhaul, an enhanced audit monitor, facilitating the tracing of the histories of individual trades, may be up and running as soon as next month.

The Can Am affair has been by no means the exchange's only cause for concern in recent years. Seat prices, usually regarded as a reliable gauge of the general health of an exchange, last year fell as low as C$1,000, compared with C$13,000 in 1979 and as much as C$30,000 in 1929. They only recently embarked on the long haul back to respectability and are now reporting trading in a C$1,500 to C$2,000 range.

In addition, two major attempts to diversify, first into precious metals then into financial futures (currently the industry's principal growth area) have foundered. Today, the exchange is as heavily dependent on the grain and oilseed sector as it has ever been, making a nonsense of the 1972 decision to change its name from the Winnipeg Grain Exchange.

LONDON MARKETS

ALUMINIUM PRICES continued to slide on the London Metal Exchange yesterday with the cash standard grade quotation adding £16.50 to Tuesday's £40 fall at £964.50 a tonne, despite rallying during the afternoon as speculators who had sold earlier covered their short positions. Dealers said the rally was based on chartist factors but added that a substantial sell-off could ensue if a support point a little way below the market's present level was breached. Zinc prices also continued under pressure, partly in sympathy with aluminium and partly on sterling's firmness against the dollar. The same factors helped to maintain the downtrend in lead prices, which also continued to be affected by the settlement at the weekend of the long-running Cominco strike in British Columbia. Meanwhile the cocoa market was depressed by pessimism ahead of the International Cocoa Agreement talks on reactivating the pact's buffer stock price support mechanisms.

LME prices supplied by Amalgamated Metal Trading.

ALUMINIUM

99.7% purity	Unofficial (close p.m.) $ per tonne	+ or −	High/Low
Cash	1594-6	−17.5	1595
3 months	1582-5	−19	1582/1582

Official closing (am): Cash 1,590-610 (1,680-90), three months 1,555-60 (1,660-70), settlement 1,610 (1,690). Final Kerb close: 1,580-90. Ring Turnover: 600 tonnes.

99.5% purity	£ per tonne		
Cash	964-5	−16.5	—
3 months	941-2	−19	944/927

Official closing (am): Cash 961-3 (1,014-6), three months 930-30.5 (984.6-5), settlement 963 (1,016). Final Kerb close: 943-4. Ring Turnover: 38,475 tonnes.

COPPER

Grade A	Unofficial close £ per tonne	+ or −	High/Low
Cash	1043-4	−4	1041/1046
3 months	1029.5-30	−4	1036/1028
Standard Cash	1042-3	−4	1041
3 months	1028-9	−4	—

Official closing (am): Cash 1,041-1.5 (1,057.5-8.5), three months 1,028-8.5 (1,041-2), settlement (1,042) (1,042 (1,058.5). US Producer prices: 80-85 cents per pound. Total Ring Turnover: 36,625 tonnes.

LEAD

	Unofficial close (p.m.) £ per tonne	+ or −	High/Low
Cash	404-5	−8	406
3 Months	385-6	−3	389/386

Official closing (am): Cash 406-7 (415-5.5), three months 385-6 (389-90), settlement 407 (415.5). Final Kerb close: 388 bid. Ring Turnover: 8,425 tonnes. US Spot: 42 cents per pound.

NICKEL

	Unofficial close (p.m.) £ per tonne	+ or −	High/Low
Cash	3275-85	−2.5	—
3 months	3255-75	−12.5	3300/3275

Official closing (am): Cash 3,305-10 (3,290-5), three months 3,300-1 (3,285-90), settlement 3,310 (3,295). Final Kerb close: 3,265-70). Ring Turnover: 1,188 tonnes.

ZINC

High grade	Unofficial close (p.m.) £ per tonne	+ or −	High/Low
Cash	464-5	−9	—
3 months	468-8.5	−8.25	479/467

Official closing (am): Cash 467-8 (477-9), three months 471.5-2 (481-3), settlement 468 (479). Final Kerb close: 479-80. Ring Turnover: 11,900 tonnes. US Prime Western: 47.5-48.5 cents a pound.

LONDON METAL EXCHANGE TRADED OPTIONS

	Strike Price $/tonne	Calls Nov.	Calls Jan.	Puts Nov.	Puts Jan.
Aluminium 99.7%	—	—	—	—	—
Aluminium 99.5%	1,500	—	68	—	—
	1,550	54	—	—	—
Copper (Grade A)	1,650	—	—	—	75
	1,700	57	—	—	—
	£/tonne				
Copper (Grade A)	1,025	—	40	29	—

Estimates.

TIN

KUALA LUMPUR TIN MARKET—Close: 16.87 (16.95) ringgit per kg. Down 0.08.

GOLD

GOLD BULLION (fine ounce)		Sept. 2
Close	$463½-464	(£280¼-281¼)
Opening	$455¾-456¼	(£277¼-277¾)
M'n'g fix	$456.55	(£277.369)
Aft'n'n fix	$463.10	(£281.024)
Day's high	$465-465¼	—
Day's low	$455½-456	—

GOLD AND PLATINUM COINS

Am Eagle	$476-481	(£288-291½)
Mapleleaf	$475¼-478¼	(£288¼-290)
Kr'g'r'nd	$463-465	(£279½-281½)
½ Krug	$238¾-239¾	(£144¾-145¼)
¼ Krug	$120¼-121¼	(£72¾-73½)
Angel	$475-476	(£286¾-288½)
1/10 Angel	$48¼-50¼	(£27½-30½)
New Sov.	$108½-109½	(£65¾-66½)
Old Sov.	$108½-110	(£65¾-66¾)
Noble Plat.	$614½-631	(£372½-376½)

MEAT

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 96.97p per kg lw (+1.11). GB—Sheep 164.92p per kg est dcw (+9.77). GB—Pigs 73.32p per kg lw (+4.84). GB—AAPP 96.30p per kg dw (−1.01).

FUTURES—Pigs: Nov 104.00. Sales: 10.

INDICES

REUTERS

Sept 1	Aug. 28	M'th ago	Year ago
1661.5	1669.8	1638.8	1461.7

(Base: September 18 1931=100)

DOW JONES

Dow Jones	Sep. 1	Aug. 31	M'th ago	Year ago
Spot	187.59	187.57	—	119.96
Fut	130.37	130.49	—	122.84

(Base: December 31 1931=100)

MAIN PRICE CHANGES

	Sept. 2 1987	+ or −	Month ago
METALS			
Aluminium			
Free Market	$1690/710	+10	$1770/790
Copper			
Cash Grade A	£1043.5	−4	£1119.5
3 months	£1029.75	−4	£1086.75
Gold Troy oz	$463.75	−10.5	$470.25
Lead Cash	£404.5	−8	£394.5
3 months	£385.5	−3	£377.5
Nickel			
Free Mkt	244/284c	+8	233/255c
Palladium oz	$138.75	+1.75	$146.75
Platinum oz	$610.00	14.25	$621.50
Quicksilver†	$280/290		$280/290
Silver troy oz	461.70p	+6.80	533.90p
3 months	473.25p	+6.65	546.50p
Tin			
free Mkt	£4170/205	−30	£4280/310
Tungsten	$53.23		$53.59
Wolfram 22.0lb	$45/55		$49/55
Zinc	£464.5	−9	£513.5
3 months	£468.25	−8.25	£511
producers	$860		$860
OILS			
Coconut (Phil)	$490u		$455
Palm Malayan	‡		$295
Seeds			
Copra (Phil)	$315		$287.5
Soyabean (U.S.)	$146		$152
GRAINS			
Barley Fut. Nov.	£100.00	−0.35	£99.45
Maize	£153.00		£158.50
Wheat Fut. Nov.	£104.50	+0.90	£101.05
No. 2 Hard Wint.	‡		‡
OTHERS			
Cocoa Ft. Dec.	£1254.5	−12	£1320.5
Coffee Ft. Nov	£1350.5	+5	£1270.5
Cotton A Ind.*	65.60c	−0.2	65.15c
Gas Oil Oct.	$159.5	+2	$158.5
Rubber (kilo)	69.5p	−0.75	70.5p
Sugar (raw)	$152.2u	+4.8	$153
Wooltops 64s	527p kilo		485pkilo

‡ Unquoted. † Per 76-lb flask. c Cents a pound. * Cotton outlook. v Oct. x Aug-Sept. w Oct-Nov. u Sept-Oct. y Nov.

SILVER

Silver was fixed 6.6p an ounce higher for spot delivery on the London bullion market at 461.70p. US cent equivalents of the fixing levels were: Spot 780c, up 15c; three-month 773.45c, up 15.25c; six-month 787.85c, up 16.10c; and 12-month 819.05c, up 17.55c. The metal opened at 451½-453p (742-744c) and closed at 467½-469½p (772-775c).

SILVER per troy oz	Bullion Fixing price	+ or −	L.M.E. p.m. Unoffic'l	+ or −
Spot	461.70p	+6.80	787.5c	+39.5
3 months	473.25p	+6.55	781.5c	+38.5
6 months	485.10p	+6.56	—	—
12 months	509.05p	+6.50	—	—

LME—Turnover: 1 (nil) lots of 10,000 ounces.

Three months high/low 771.5c, final kerb 782-5c.

COFFEE

After opening £10 lower as due, Robustas closed steady, reports Drexel Burnham Lambert. One particular trade house featured as a persistent buyer, providing firm support for the market in the afternoon. Overhead selling was absorbed, allowing for a late short-covering rally to leave the market at the highs.

COFFEE	Yesterday close	+ or −	Business done
Sept	1312-1315	+4.5	1317-1291
Nov	1350-1351	+5.0	1352-1328
Jan	1360-1361	+7.0	1361-1355
Mar	1392-1394	+2.5	1390-1375
May	1408-1411	+5.0	1409-1391
July	1427-1435	+3.5	1427-1413
Sept	1440-1450	−6.5	—

Sales: 6,447 (6,475) lots of 5 tonnes. ICO indicator prices (US cents per pound) for September 1: Comp. daily 1979 106.35 (105.12); 15-day average 98.85 (99.18).

COCOA

On a combination of currency movement and optimistic weather reports from South America, values declined £10 to close in the middle of the traded range. Although producers remained withdrawn there was active scale-down consumer buying, reports Gill and Duffus.

	Yesterday's close £ per tonne	+ or −	Business done
Sept	1210-1213	−13.5	1221-1210
Dec	1254-1255	−12.0	1262-1250
March	1288-1290	−12.5	1297-1285
May	1310-1311	−13.0	1318-1306
July	1330-1331	−13.0	1340-1327
Sept	1350-1351	−13.0	1358-1346
Dec	1370-1372	−14.5	1374-1366

Sales: 5,822 (4,324) lots of 10 tonnes. ICCO indicator prices (SDRs per tonne). Daily price for September 1: 1,579.02 (1,580.45); 10-day average for September 2: 1,596-28 (1,599.63).

FREIGHT FUTURES

The market fell sharply again on the opening in light volume after a lower Intex market overnight. The 20.5 drop in the BFI was more than expected and prompted further selling, stops being triggered in the process, reports Clarkson Wolff.

Dry Cargo	Close	High/Low	Prev.
Oct.	1066	1080.5/1060	1105/1108
Jan.	1080/1085	1080/1070	1116
Apr.	1140/1145	1065/1035	1175
July	1042.5	—	1030/1080
Oct.	1055	—	1170/1180
Jan.	1059	—	1097.5
April	1155	—	1176
BFI.	1084.5	—	1106.0

Turnover: 511 (230).

GRAINS

Wheat again reacted to weather conditions, firming in the spot position due to a lack of harvesting and no further September tenders, and closing on the day's highs in deferred months due to keen commission house support. Barley again lacked buyers, easing on trade speculation about Saudi Arabian finance problems, and closing on the day's lows, reports T. G. Roddick.

Mnth	WHEAT Yest'rdy's close	+ or −	BARLEY Yest'rdy's close	+ or −
Sep.	103.50	+0.85	96.85	−0.55
Nov.	104.50	+0.90	100.00	−0.35
Jan.	106.80	+1.55	102.55	−0.32
Mar.	109.60	+1.00	104.85	−0.85
May	111.80	+0.80	107.00	−0.54
July	114.30	+0.80	—	—

Business done—Wheat: Sept 103.60-3.30, Nov 104.50-4.15, Jan 106.80-6.35, March 108.60-8.15, May 111.80-1.50, July 114.15. Sales: 532 lots of 100 tonnes. Barley: Sept 97.30-6.80, Nov 100.30, Jan 102.90-2.60, March 105.00, May untraded. Sales: 220 lots of 100 tonnes.

LONDON GRAINS—Wheat: US Dark Northern Spring No 2, 14 per cent: Sept 93.60, Oct 95.00, Nov 96.25. US No 2 Soft Red Winter: Sept 91.00, Oct 93.00, Nov 94.25. French 11½-12 per cent: Sept 136.00, Oct 138.00 sellers. English feed, fob: Sept 104.50-105.50, Oct / Dec 107.00-107.50, Jan / March 110.50/111.00, April/June 113.50-114.00 buyer/sellers East Coast. Maize: US No 3 Yellow/French, transhipment East Coast: Sept 153.00 seller. Barley: English feed: Sept 101.00, Oct/Dec 105.00, Jan/March 109.00 sellers.

HGCA — Locational ex-farm spot prices. Feed barley: Eastern 96.40, E. Midlands 96.70; N. East 97.00, Scotland 95.00. The UK monetary coefficient for the week beginning Monday, September 7, will remain unchanged.

POTATOES

Speculation concerning possible MAFF action continued to underpin values. And with an unsettled weather forecast, sentiment remained firm with April registering gains of over £2.00 by the close to finish on a steady note, reports Coley and Harper.

Month	Yesterday's close £ per tonne	Previous close	Business done
Nov.	87.50	88.10	88.00
Feb.	96.50	97.50	99.00
March	83.80	53.00	84.00
Apr.	132.80	130.70	132.90-130.90
May.	146.00	143.30	146.50

Sales: 371 (234) lots of 40 tonnes.

OIL

CRUDE OIL—FOB ($ per barrel) Sept.	Latest	Change + or −
Arab Light	—	—
Arab Heavy	—	—
Dubai	17.25-17.30*	+0.125
Brent Blend	18.40-18.50	+0.025
W.T.I. (1pm est)	19.65-19.70*	+0.10
Forcados (Nigeria)	—	—
Urals (cif NWE)	—	—

PRODUCTS—North West Europe
Prompt delivery cif ($ per tonne)

Premium gasoline	179-182	−1
Gas Oil	156-159	+0.5
Heavy fuel Oil	97-99	—
Naphtha	160-162	+1

* October.

Petroleum Argus estimates

RUBBER

PHYSICALS—Closing prices (buyers): Spot 69.50p (70.25p); Oct 68.25p (69.00p); Nov 68.50p (69.25p). The Kuala Lumpur fob prices (Malay/Singapore cents) per kg was RSS No 1 265.0; SMR 20 239.0.

SOYABEAN MEAL

Trade was mixed and prices held at unchanged levels on stronger sterling negating firmer Chicago and cash markets, reports Muirpace.

	Yesterd'ys close £ per tonne	+ or −	Business done
October	125.0-125.5	−0.25	125.5
Dec	122.8-123.1	+0.10	122.8
Feb	124.0-124.7	−0.05	124.5
April	125.8-126.8	−0.55	125.7-125.5
June	121.5-123.8	−0.10	—
August	121.5-123.5	+0.50	—
October	122.8-124.0	−0.25	—

Sales: 158 (137) lots of 20 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar $152.20 (£92.60), up $4.80 (up £2.40) a tonne for Sept/Oct delivery. White sugar $184.20, up $2.00.

$ per tonne	Yesterd's close	Previous close	Business done
No. 6 Raws			
Oct.	151.4-151.8	150.8-151.0	154.4-151.8
Dec	139.8-141.6	138.4-140.8	141.8-140.2
Mar	149.4-149.6	146.8-150.0	152.0-149.4
May	153.4-155.8	155.6-155.8	156.0-155.8
Aug	158.0-155.8	158.2-158.8	158.4-150.8
Oct	162.8-162.8	162.6-162.0	165.2-163.6
Dec	166.8-167.8	166.6-168.8	—
No. 5 Whites			
Oct.	191.6-182.8	188.0-181.6	183.5-181.2
Dec	181.8-182.2	181.6-181.8	183.4-181.8
Mar	188.5-187.8	186.4-187.0	189.0-186.0
May	190.4-191.0	189.8-190.6	191.5-189.0
Aug	193.8-194.8	193.0-194.0	195.5-194.8
Oct	197.8-198.4	198.0-198.4	197.6
Dec	194.5	199.0-200.8	—

Sales: No 6 3,823 (2,558) lots of 50 tonnes; No 5 1,894 (1,679).

Tate and Lyle delivery price for granulated basis sugar was £197.00 (£194.50) a tonne for export.

International Sugar Agreement—(US cents per pound fob and stowed Caribbean ports). Prices for September 1: Daily price 5.55 (5.37); 15-day average 5.58 (5.60).

PARIS—(FFr per tonne): Oct 1085-1100, Dec 1105-1107, March 1135-1141, May 1160-1170, Aug 1185-1198, Oct 1208-1220.

GAS OIL FUTURES

Month	Yesterd'ys close US$ per tonne	+ or −	Business done
Sept.	158.75	+2.75	158.75-57.25
Oct	159.50	+2.00	159.75-58.00
Nov	160.75	+1.75	161.00-59.50
Dec	163.00	+2.25	162.25-60.50
Jan	161.50	−2.00	—

Turnover: 3,431 (3,601) lots of 100 tonnes.

US MARKETS

THE WEAKER US dollar led to early trade buying and local short-covering in the precious metals, reports Drexel Burnham Lambert. Fund buying was also noted in silver but advances were held by good trade and commission house selling at tht highs. Copper was dominated by locals who persistently sold the market down, at one stage overcoming a rally in response to the strength in the precious metals. The energy complex was surprisingly quiet as traders tended to adopt a cautious approach and attention was centred on the metals. Coffee eased as trade selling touched off commission houses stops, but trade and roaster buying at the lows prompted short-covering. Cocoa fell on early commission house selling, but trade scale-down buying coupled with the weaker US currency led to short-covering. Sugar rallied on trade and commission house buying on reports of Soviet buying, but good selling at the highs put the market on the defensive for the rest of the day. Cotton fell sharply as good trade selling combined with commission house long-liquidation followed reports indicating that the Soviet crop was better than expected and that they were tending to buy German cotton instead of American grothws. Cattle continued firm on expectations of futures tight supplies. Pork bellies eased despite stable cash prices and hogs rallied in an attempt to close the discount of futures to cash. Grains and the soyabean complex futures were firm across the board

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	Prev	High	Low
Sept	76.00	75.50	76.00	76.00
Oct	75.00	74.50	—	—
Nov	74.00	73.50	—	—
Dec	73.00	72.50	73.75	73.00
Jan	72.50	72.00	—	—
March	71.00	70.50	—	—
May	68.00	67.50	—	—
July	67.50	67.00	—	—

COCOA 10 tonnes, $/tonnes

	Close	Prev	High	Low
Sept	1942	1936	1942	1922
Dec	1940	1934	1943	1920
March	1959	1949	1959	1943
May	1983	1975	1979	1970
July	2004	1999	2005	2000
Sept	2030	2025	2028	2050
Dec	2055	2050	2050	2050

COFFEE "C" 37,500 lbs; cents/lbs

	Close	Prev	High	Low
Sept	115.00	114.80	115.50	113.25
Dec	118.42	117.73	118.80	116.10
March	121.87	120.64	122.00	119.40
May	123.75	122.38	123.75	121.00
July	125.40	123.75	123.75	122.50
Sept	126.75	125.50	126.75	126.75
Dec	126.25	126.13	—	—

COPPER 25,000 lb, cents/lb

	Close	Prev	High	Low
Sept	76.65	77.15	77.65	76.40
Oct	76.55	76.35	—	—
Nov	74.90	75.65	—	—
Dec	74.20	74.95	75.50	73.95
Jan	73.80	74.30	—	—
March	72.50	73.70	73.75	72.45
May	71.90	72.50	72.50	72.50
July	71.45	72.05	—	—
Sept	71.50	72.10	—	—
Dec	71.50	72.06	72.00	72.00

COTTON 50,000 lb, cents/lb

	Close	Prev	High	Low
Oct	75.96	77.43	77.70	75.90
Dec	75.01	76.88	77.15	74.90
March	76.33	78.20	78.25	76.25
May	76.96	78.50	78.76	76.90
July	76.50	78.00	78.00	76.50
Oct	69.50	70.65	70.30	70.00
Dec	67.80	68.50	68.40	67.95

CRUDE OIL (LIGHT) 42,000 US gallons, $/barrels

	Latest	Prev	High	Low
Oct	19.67	19.63	19.78	19.56
Nov	19.47	19.42	19.56	19.36
Dec	19.39	19.34	19.45	19.29
Jan	19.34	19.30	19.38	19.26
Feb	19.32	19.27	19.38	19.25
March	19.32	19.26	19.35	19.28
April	19.30	19.25	19.33	19.28
May	19.33	19.24	19.35	19.30
June	19.25	19.23	19.35	19.20
July	19.25	19.22	19.25	19.15

ORANGE JUICE 15,000 lbs; cents/lbs

	Close	Prev	High	Low
Sept	132.85	132.20	133.00	132.25
Nov	129.00	129.55	129.95	128.90
Jan	128.00	128.40	128.80	128.00
March	128.50	128.00	129.25	128.60
May	129.10	129.65	129.60	129.10
Sept	129.45	128.65	—	—

GOLD 100 troy oz; $/troy oz

	Close	Prev	High	Low
Sept	465.3	464.8	—	—
Oct	467.8	457.3	466.0	461.0
Nov	470.6	—	—	—
Dec	473.4	462.8	473.2	466.5
Feb	479.5	468.7	480.0	473.0
April	485.6	474.6	486.0	479.0
June	491.8	480.6	491.0	489.0
Oct	506.4	493.6	504.5	504.5
Dec	512.2	500.1	512.0	506.0
Feb	519.2	509.8	—	—
June	533.6	520.6	—	—

HEATING OIL 42,000 US gallons, cents/US gallons

	Latest	Prev	High	Low
Oct	52.55	52.23	52.75	52.15
Nov	53.25	52.93	53.45	52.95
Dec	53.85	53.57	54.10	53.55
Jan	54.50	54.22	54.70	54.30
Feb	54.75	54.62	55.00	54.70
March	53.70	53.52	53.90	53.60
April	52.70	52.47	52.70	52.00
May	51.00	51.42	51.00	51.00
June	50.90	51.02	50.90	50.50

PLATINUM 50 troy oz, $/troy oz

	Close	Prev	High	Low
Oct	619.3	599.9	619.0	609.0
Jan	626.2	607.5	627.5	615.5
April	633.0	615.1	635.0	622.0
July	642.9	622.7	636.0	632.0
Oct	650.9	630.3	—	—

SILVER 5,000 troy oz, cents/troy oz

	Close	Prev	High	Low
Sept	778.5	732.7	781.0	754.0
Oct	783.1	737.2	—	—
Dec	793.0	747.0	795.0	770.0
Jan	797.9	751.5	—	—
March	809.5	762.3	810.5	786.0
May	820.8	772.9	817.0	807.0
July	832.6	783.9	825.0	822.0
Sept	844.7	795.2	835.0	830.0

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	Prev	High	Low
Oct	5.85	5.80	5.96	5.77
Jan	6.19	6.15	—	—
March	6.69	6.68	6.80	6.60
May	6.89	6.90	6.98	6.89
July	7.05	7.07	7.15	7.05
Oct	7.26	7.25	7.34	7.27
Jan	7.44	7.43	—	—
Jan	7.33	7.36	—	—

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	Prev	High	Low
Oct	65.92	65.40	66.20	65.20
Dec	67.27	66.62	67.50	66.40
Feb	67.70	67.12	67.90	67.02
April	68.87	68.42	68.97	68.30
June	68.60	68.17	68.70	68.00
Aug	67.10	66.75	67.20	66.55
Oct	66.10	65.85	66.10	65.80

LIVE HOGS 30,000 lb, cents/lb

	Close	Prev	High	Low
Oct	51.17	51.10	51.45	50.85
Dec	49.20	49.17	49.47	48.85
Feb	46.70	46.95	47.05	46.47
April	43.40	43.27	43.60	43.25
June	45.00	44.90	45.05	44.70

MAIZE 5,000 bu min, cents/56 lb-bushel

	Close	Prev	High	Low
Sept	158.4	156.6	158.6	156.0
Dec	167.6	165.2	168.0	164.2
March	177.2	175.2	177.6	174.2
May	182.6	180.6	182.6	180.0
July	184.2	182.6	184.2	182.6
Sept	182.4	181.2	182.4	181.4
Dec	186.2	186.2	186.4	185.2

PORK BELLIES 38,000 lb, cents/lb

	Close	Prev	High	Low
Feb	61.62	61.97	62.50	61.32
March	61.00	61.32	61.62	60.65
May	61.35	61.37	61.70	60.95
July	66.47	65.77	66.47	65.20

SOYABEANS 5,000 bu min, cents/60 lb-bushel

	Close	Prev	High	Low
Sept	511.4	509.0	511.6	508.0
Nov	510.6	504.2	511.4	505.2
Jan	516.6	511.2	517.0	511.4
March	523.0	516.6	523.0	519.0
May	528.0	522.4	528.0	523.6
July	529.0	524.0	529.4	525.2
Sept	[illegible]	515.4	—	—

SOYABEAN MEAL 100 tons, $/ton

	Close	Prev	High	Low
Sept	162.2	159.2	162.2	159.8
Oct	158.9	156.3	159.0	155.6
Dec	157.8	154.9	157.8	155.2
Jan	156.8	154.0	156.8	154.5
March	156.5	154.1	156.5	154.5
May	156.0	154.2	156.0	154.9
July	155.2	154.1	155.5	154.5
Aug	155.0	154.1	154.5	155.5
Sept	155.0	154.1	154.5	155.5

SOYABEAN OIL 60,000 lb, cents/lb

	Close	Prev	High	Low
Sept	15.80	15.69	15.82	15.66
Oct	15.93	15.85	15.97	15.82
Dec	16.29	16.21	16.33	16.16
Jan	16.45	16.36	16.48	16.34
March	16.75	16.65	16.79	16.62
May	16.98	16.96	17.00	16.86
July	17.19	17.15	17.20	17.08
Aug	17.11	17.17	17.25	17.11
Sept	17.14	17.15	17.35	17.14

WHEAT 5,000 bu min, cents/60 lb-bushel

	Close	Prev	High	Low
Sept	278.0	276.0	278.0	275.4
Dec	290.2	288.4	290.6	288.2
March	294.4	292.2	294.4	291.6
May	285.0	283.0	285.0	282.4
July	273.0	271.4	273.4	271.0
Sept	276.4	275.4	—	—

SPOT PRICES — Chicago loose lard 15.00 (same) cents per pound. Handy and Harman silver bullion 787.5 (727.5) cents per troy ounce. New York tin 318-319 (same) cents per pound.

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar continues to slide

THE DOLLAR weakened in spite of further central bank support, as dealers took the view that the intervention was not on a large enough scale to prevent the currency falling, but was a signal not to move too quickly.

Expectations of another very large US trade deficit in July, possibly in the region of $16bn, kept relentless downward pressure on the dollar. The figures will be published on September 11.

The West German Bundesbank bought dollars at the Frankfurt fixing, and then intervened on a small scale on the open market. At about the same time the Swiss National Bank also purchased dollars, and this was followed by unconfirmed rumours of intervention by the US Federal Reserve. In Tokyo, the Bank of Japan intervened for most of the day.

Weakness of the dollar and present exchange rate values were the subject of several statements by officials, with Japanese ministers in particular trying to talk the market into greater stability.

Mr Kiichi Miyazawa, Japanese Finance Minister, said Japan will continue to intervene, while Mr Toyoo Gyohten, Vice Finance Minister for International Affairs, dismissed suggestions recent co-ordinated intervention had been half hearted.

In Zurich, Mr Hans Meyer, a member of the Swiss National Bank directorate, said current rates are reasonable for dismantling the US trade and Budget deficits, but need not be defended at all costs.

The dollar touched DM 1.8000, and closed at DM 1.8030, compared with DM 1.8125, the lowest level since late May. It also fell to Y140.95 from Y141.85, the lowest since late May, and declined to FFr 6.0350 from FFr 6.0650 and to SwFr 1.4885 from SwFr 1.4965. On Bank of England figures the dollar's index declined to 100.5 from 100.8.

STERLING—Trading range against the dollar in 1987 is 1.6885 to 1.4710. August average 1.5985. Exchange rate index rose 0.2 to 73.0, compared with 70.7 six months ago.

Sterling gained 1 cent to $1.6495-1.6505, the highest close since the day after the UK general election in June. It also improved to DM 2.9750 from DM 2.9725 and to FFr 9.9575 from FFr 9.9475, but was unchanged at SFr 2.4550 and fell to Y232.50 from Y232.75.

The pound did not suffer from lower UK official reserves, surprising the market that the Bank of England had provided so much support for sterling last month. August reserves were expected to be flat, but fell an underlying £457m.

D-MARK—Trading range against the dollar in 1987 is 1.9385 to 1.7690. August average 1.8573. Exchange rate index 146.8 against 147.8 six months ago.

The D-mark rose against a very weak dollar. The US currency touched DM 1.80 in Frankfurt, before closing at DM 1.8050, compared with DM 1.8105 on Tuesday.

The Bundesbank intervened on the open market and also bought $48.9m when the dollar was fixed at DM 1.8080, compared with DM 1.8116, the lowest fixing since June 12. Dealers regarded this as a warning not to push the dollar down too sharply, rather than a sign of support for the dollar at any particular level.

There was no reaction to news that West German industrial production remains depressed. Output in July fell 1.3 per cent, unchanged from the revised June fall.

JAPANESE YEN—Trading range against the dollar in 1987 is 159.45 to 138.25. August average 147.57. Exchange rate index 225.1 against 209.1 six months ago.

The yen remained very strong against the dollar, in spite of persistent intervention by the Bank of Japan. The central bank bought dollars from the early morning, beginning at around Y141.20, and continuing as the US currency slid below Y141, for the first time since May 25.

It closed at Y141.15, compared with Y141.60 on Tuesday.

£ IN NEW YORK

Sept. 2	Latest	Previous Close
£ Spot	1.6500-1.6510	1.6425-1.6435
1 month	0.38-0.36pm	0.40-0.39pm
3 months	1.11-1.07pm	1.26-1.23pm
12 months	3.44-3.34pm	4.12-4.02pm

Forward premiums and discounts apply to the U.S. dollar.

STERLING INDEX

	Sept. 2	Previous
8.30 am	72.8	72.5
9.00 am	72.8	72.5
10.00 am	72.8	72.7
11.00 am	72.9	72.8
Noon	72.9	72.6
1.00 pm	72.9	72.7
2.00 pm	72.9	72.7
3.00 pm	72.9	72.7
4.00 pm	73.0	72.8

CURRENCY RATES

Sept. 2	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.787175	0.696685
U.S. Dollar	5.5	1.29589	1.14605
Canadian $	8.75	*	1.50671
Austrian Sch.	4	16.4864	14.5812
Belgian Franc	7¾	48.6758	43.0713
Danish Krone	7	9.02578	7.98451
Deutsche Mark	3.0	2.34261	2.07274
Neth. Guilder	4½	2.63932	2.33461
French Franc	9½	7.84022	6.93656
Italian Lira	12	NA	1500.75
Japanese Yen	2½	182.692	161.765
Norway Krone	8	8.59438	7.60290
Spanish Peseta	—	157.232	139.958
Swedish Krona	7½	8.24253	7.29087
Swiss Franc	3.5	1.93382	1.71186
Greek Drach.	20½	178.429	157.784
Irish Punt	—	0.879806	0.778195

*CS/SDR rate for Sept. 1; 1.70336.

CURRENCY MOVEMENTS

Sept. 2	Bank of England Index	Morgan Guaranty Changes %
Sterling	73.0	−20.6
U.S. Dollar	100.5	−6.7
Canadian Dollar	78.4	−9.8
Austrian Schilling	137.7	+10.1
Belgian Franc	99.8	−4.7
Danish Krone	91.0	+1.1
Deutsche Mark	146.8	+21.6
Swiss Franc	173.5	+23.2
Guilder	135.1	+14.4
French Franc	71.3	−13.2
Lira	47.1	−18.3
Yen	225.1	+67.7

Morgan Guaranty changes: average 1980–1982=100. Bank of England Index (Base average 1975=100).

OTHER CURRENCIES

September 2	£	$
Argentina	3.7245-3.7405	2.2620-2.2705
Australia	2.2880-2.2910	1.3885-1.3895
Brazil	80.4105-80.8570	48.2510-48.4900
Finland	7.2045-7.2175	4.3770-4.3800
Greece	224.50-228.15	136.65-138.85
Hong Kong	12.8565-12.8700	7.8060-7.8070
Iran	116.30*	70.90*
Korea(Sth)	1320.60-1332.55	804.10-810.70
Kuwait	0.46050-0.46150	0.27990-0.28000
Luxembourg	61.75-61.85	37.40-37.50
Malaysia	4.1315-4.1380	2.5085-2.5100
Mexico	2493.05-2509.60	1496.00-1500.00
N. Zealand	2.6725-2.6775	1.6215-1.6230
Saudi Ar.	6.1760-6.1815	3.7500-3.7510
Singapore	3.4585-3.4650	2.1000-2.1020
S. Af. (Cm)	3.3400-3.3555	2.0325-2.0365
S. Af. (Fn)	5.4920-5.6815	3.3335-3.4485
Taiwan	49.30-49.55	30.05-30.15
U.A.E.	6.0485-6.0540	3.6725-3.6735

*Selling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu Sept 2	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	42.4582	43.0713	+1.44	+0.76	± 1.5344
Danish Krone	7.85212	7.98451	+1.69	+1.01	± 1.6404
German D-Mark	2.05853	2.07274	+0.69	+0.01	± 1.0981
French Franc	6.90403	6.93656	+0.47	−0.21	± 1.3674
Dutch Guilder	2.31943	2.33461	+0.65	−0.03	± 1.5012
Irish Punt	0.768411	0.778195	+1.27	+0.59	± 1.6684
Italian Lira	1,483.58	1,500.75	+1.16	+1.08	± 4.0752

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

POUND SPOT—FORWARD AGAINST THE POUND

Sept. 2	Day's spread	Close	One month	p.a.	Three months	% p.a.
US	1.6410-1.6510	1.6495-1.6505	0.37-0.34 cpm	2.58	1.14-1.09 pm	2.70
Canada	2.1622-2.1727	2.1695-2.1705	0.16-0.06 cpm	0.61	0.50-0.38 pm	0.81
Netherlands	3.34½-3.35¼	3.34½-3.35½	1⅛-1⅛ cpm	4.48	4⅛-3⅞ pm	4.70
Belgium	61.69-61.99	61.75-61.85	19-17 cpm	3.50	56-52 pm	3.50
Denmark	11.43½-11.47½	11.44½-11.45½	¼pm-½ ore dis	−0.20	¾-1⅛ ore dis	−0.26
Ireland	1.1148-1.1179	1.1161-1.1171	0.02 dis-0.05 pm	0.16	0.14 dis-0.04 pm	−0.18
W. Germany	2.97-2.98	2.97-2.98	1½-1⅛ pf pm	5.80	4⅝-4⅜ pm	6.05
Portugal	233.31-235.27	234.30-235.27	65-125 c dis	−4.86	240-350 dis	−4.86
Spain	199.33-200.21	199.67-199.95	85-120 c dis	−6.16	195-250 dis	−4.45
Italy	2150¼-2159	2154½-2155½	4-7 lire dis	−3.06	14-18 dis	−2.97
Norway	10.90-10.92¾	10.91-10.92	1⅞-2⅛ ore dis	−2.20	9¾-10⅛ dis	−3.69
France	9.94-9.97¼	9.95¼-9.96¼	1⅞-1⅛ c pm	1.96	5⅛-4⅛ pm	1.88
Sweden	10.44¼-10.48½	10.46¼-10.47¼	1-⅝ ore pm	0.93	3⅛-2⅞ pm	1.05
Japan	231¼-233	232-233	1¼-1 y pm	5.81	3⅝-3⅜ pm	6.02
Austria	20.90-20.99	20.96-20.99	10⅝-9½ gro pm	5.76	31½-29½ pm	5.78
Switzerland	2.45-2.46	2.45-2.46	1⅜-1⅛ c pm	6.11	4⅛-3⅞ pm	6.42

Belgian rate is for convertible francs. Financial franc 62.15-62.25. Six-month forward dollar 2.01-1.96 c pm. 12-month 3.40-3.30 c pm. Correction for Sept. 1 US Day's Spread 1.6305-1.6415

DOLLAR SPOT—FORWARD AGAINST THE DOLLAR

Sept. 2	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.6410-1.6510	1.6495-1.6505	0.37-0.34c pm	2.58	1.14-1.09pm	2.70
Ireland†	1.4700-1.4780	1.4780-1.4790	0.25-0.20c pm	1.83	0.88-0.78 pm	2.25
Canada	1.3130-1.3165	1.3140-1.3150	0.20-0.23c dis	−1.96	0.63-0.66 dis	−1.96
Netherlands	2.0280-2.0400	2.0295-2.0305	0.35-0.33c pm	2.00	1.01-0.97pm	1.94
Belgium	37.40-37.65	37.40-37.50	3.00dis-par pm	−0.48	8.00-3.00pm	0.59
Denmark	6.93¾-6.94¼	6.93¾-6.94¼	0.90-1.60ore dis	−2.15	3.90-4.60 dis	−2.44
W. Germany	1.8000-1.8110	1.8025-1.8035	0.49-0.46pf pm	3.15	1.49-1.44pm	3.24
Portugal	141¼-142½	141¾-142	50-150c dis	−8.43	225-425 dis	−9.14
Spain	120.75-121.60	120.85-120.95	105-125c dis	−11.36	230-270 dis	−8.23
Italy	1303½-1311	1305¾-1306¼	6.00-7.00lire dis	−5.96	18.20-19.70dis	−5.79
Norway	6.63¾-6.64	6.61¼-6.61¾	3.70-4.05ore dis	−7.01	10.75-11.15dis	−6.60
France	6.02¾-6.05¾	6.03¼-6.03¾	0.31-0.41c dis	−0.71	1.25-1.55 dis	−0.93
Sweden	6.34½-6.36½	6.34½-6.35	0.75-1.05ore dis	−1.70	2.65-3.05 dis	−1.79
Japan	140.75-141.30	140.90-141.00	0.41-0.38y pm	3.36	1.19-1.14 pm	3.30
Austria	12.70¼-12.73¼	12.70¼-12.70¾	3.50-2.50gro pm	2.83	10.00-8.00pm	2.83
Switzerland	1.4860-1.4935	1.4880-1.4890	0.48-0.43c pm	3.66	1.39-1.34 pm	3.66

† UK and Ireland are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 37.65-37.75

EURO-CURRENCY INTEREST RATES

Sept. 2	Short term	7 Days notice	One Month	Three Months	Six Months	One Year
Sterling	10-9⅞	10-9¾	9⅞-9⅞	10⅛-10⅛	10½-10⅜	10⅞-10⅝
U.S. Dollar	6¾-6⅝	6⅞-6⅞	7⅛-7⅛	7⅛-7⅞	7⅞-7⅞	8¼-8⅛
Can. Dollar	8⅞-8⅝	8⅞-8⅝	9⅛-8⅞	9⅛-9	9⅞-9⅛	10-9⅞
D. Guilder	5⅛-5	5⅛-5⅛	5⅛-5⅛	5⅜-5¼	5½-5⅜	5⅞-5⅞
Sw. Franc	1½-1⅛	2⅛-1⅞	3⅞-3⅞	3⅞-3⅞	4-3⅞	4⅛-3⅞
Deutschmark	3⅞-3⅞	4-3⅞	4-3⅞	4⅛-3⅞	4⅞-4⅛	4½-4⅞
Fr. Franc	7¾-7⅛	7⅞-7¼	7⅞-7¼	8⅛-8⅛	8⅞-8⅞	9¼-9⅛
Italian Lire	12-10	12-10½	12⅜-12¼	13⅛-12⅝	13⅛-12¾	13⅛-12⅞
B. Fr. (Fin.)	6¼-6⅛	6½-6¼	6⅞-6⅞	6¾-6⅝	7⅛-7	7⅜-7¼
B. Fr. (Con.)	6½-5⅞	6¼-5⅞	6⅞-6¼	6⅞-6½	7⅛-6¾	7⅝-7¼
Yen	3⅞-3⅞	3⅞-3⅞	4⅛-3⅞	4⅛-4	4⅞-4⅛	4⅞-4¼
D. Krone	9½-9⅛	9⅞-9½	10-9⅝	10¼-9⅞	10⅜-10	10⅞-10½
Asian $Sing.	6⅞-6⅞	6⅞-6⅞	7⅛-7⅛	7⅛-7⅛	7⅞-7⅞	8⅛-7⅞

Long-term Eurodollars: Two years 8⅞-8⅞ per cent; three years 9⅛-9⅛ per cent; four years 9⅜-9⅜ per cent; five years 9½-9⅞ per cent nominal. Short-term rates are call for US Dollars and Japanese Yen; others, two days' notice.

EXCHANGE CROSS RATES

Sept. 2	£	$	DM	Yen	F Fr.	S Fr.	H Fl.	Lira	C $	B Fr.
£	1.	1.650	2.975	232.5	9.958	2.455	3.350	2155.	2.170	61.90
$	0.606	1.	1.803	141.0	6.040	1.489	2.030	1306.	1.315	37.45
DM	0.336	0.555	1.	78.15	3.347	0.825	1.126	724.4	0.729	20.77
YEN	4.301	7.097	12.80	1000.	42.83	10.56	14.41	9269.	9.333	265.8
F Fr.	1.004	1.657	2.988	233.5	10.	2.465	3.364	2164.	2.179	62.06
S Fr.	0.407	0.672	1.212	94.70	4.056	1.	1.365	877.8	0.884	25.17
H Fl.	0.299	0.493	0.888	69.40	2.972	0.733	1.	643.3	0.648	18.45
Lira	0.464	0.766	1.381	107.9	4.621	1.139	1.555	1000.	1.007	28.68
C $	0.461	0.760	1.371	107.1	4.589	1.131	1.544	993.1	1.	28.48
B Fr.	1.618	2.670	4.814	376.2	16.11	3.972	5.421	3467.	3.511	100.

Yen per 1,000: French Fr per 10; Lira per 1,000: Belgian Fr per 100.

FINANCIAL FUTURES

US bonds sharply weaker

US TREASURY bond futures fell sharply on the London International Financial Futures Exchange yesterday, weakening in line with declining prices in Chicago and on the cash bond market in New York.

This followed a depressed market in the US on Tuesday, and once again was the result of concern about the dollar. Dealers in New York said that the weakness of the dollar was prompting foreign investors to unload Treasury securities. The 8⅞ 30-year bond fell nearly a full point at the US opening.

On Liffe Treasury bond futures fell to 19-month lows, pushing the contract though technical support levels and triggering stop loss selling.

December bonds closed just above the day's low at 84-12, compared with 86-22 on Tuesday.

Long term gilt futures rose to a peak of 115-14 for December delivery, before closing at 114-31, against 114-24 previously. The contract was underpinned by the comment by Mr Nigel Lawson, Chancellor of the Exchequer, that last month's 1 per cent rise in UK base rates was sufficient, and showed little reaction to the fall of £457m in August UK official reserves.

Japanese Government bond futures opened lower on Liffe, at 104.00 for December delivery, but this was the day's high, and the contract fell by the 1 point daily limit, bringing trading to a halt for an hour. Prices then showed the biggest daily loss and movement since the contract started trading over a month ago.

December delivery closed at 102.35, down 2.8 from the previous settlement, undermined by news that a Japanese chemical company was not paying a dividend following heavy losses on Government bonds. Earlier in Tokyo futures prices were slightly firmer on the day, but closed at the day's low.

Dealers reported that the Bank of Japan carried out a buying operation in the cash market.

LIFFE LONG GILT FUTURES OPTIONS

Strike Price	Calls—Last Dec	Calls—Last March	Puts—Last Dec	Puts—Last March
108	7.25	7.59	0.27	0.55
110	5.44	6.26	0.46	1.22
112	4.11	5.04	1.13	2.00
114	2.54	3.57	1.56	2.53
116	1.57	2.58	2.59	3.54
118	1.10	2.08	4.12	5.04
120	0.44	1.32	5.46	6.28
122	0.25	—	7.27	—

Estimated volume total, Calls 2,615 Puts 1,680
Previous day's open int: Calls 16,544 Puts 12,170

LIFFE US TREASURY BOND FUTURES OPTIONS

Strike Price	Calls—Last Dec	Calls—Last March	Puts—Last Dec	Puts—Last March
80	5.12	4.61	0.52	1.29
82	3.51	3.46	1.27	2.14
84	2.27	2.45	2.03	3.13
86	1.26	1.57	3.02	4.25
88	0.46	1.18	4.22	5.50
90	0.23	0.54	5.63	7.22
92	0.12	0.34	7.52	9.02
94	0.05	0.21	9.45	10.53

Estimated volume total, Calls 40 Puts 23
Previous day's open int: Calls 354 Puts 264

LIFFE FT-SE 100 INDEX FUTURES OPTIONS

Strike Price	Calls-Last Sept.	Calls-Last Oct.	Puts-Last Sept.	Puts-Last Oct.
23000	2.65	7.05	7.95	7.75
23250	1.94	5.94	9.74	9.14
23500	1.38	4.97	11.68	10.67
23750	0.96	4.12	13.76	12.32
24000	0.65	3.38	15.95	14.08
24250	0.43	2.75	18.23	15.95
24500	0.28	2.22	20.58	17.92
24750	0.18	1.77	22.98	19.97

Estimated volume total, Calls 3 Puts 8
Previous day's open int: Calls 305 Puts 207

LIFFE £/$ OPTIONS
£25,000 (cents per £1)

Strike Price	Calls—Last Sept.	Oct.	Nov.	Dec.	Puts—Last Sept.	Oct.	Nov.	Dec
1.45	19.90	19.90	19.90	19.90	0.00	0.00	0.00	0.02
1.50	14.90	14.90	14.90	14.90	0.00	0.00	0.03	0.14
1.55	9.90	9.90	9.90	9.90	0.00	0.05	0.24	0.58
1.60	4.90	4.90	5.10	5.43	0.02	0.52	1.09	1.75
1.65	0.85	1.70	2.20	2.70	1.10	2.36	3.19	4.02
1.70	0.01	0.35	0.70	1.11	5.26	6.01	6.69	7.43
1.75	0.00	0.04	0.16	0.37	10.25	10.70	11.15	11.69

Estimated volume total, Calls 0. Puts 100
Previous day's open int. Calls 323 Puts 1529

LONDON SE £/$ OPTIONS
£12,500 (cents per £1)

Strike Price	Calls—Last Sept.	Oct.	Nov.	Dec.	Puts—Last Sept.	Oct.	Nov.	Dec.
1.45	12.70	—	—	12.90	1.50	—	—	2.70
1.50	14.80	14.80	14.80	14.80	0.30	0.30	0.30	0.35
1.55	9.80	9.80	9.80	9.80	0.30	0.35	0.45	0.75
1.60	4.80	5.00	5.20	5.45	0.35	0.75	1.30	1.90
1.65	0.95	1.75	2.45	2.65	1.40	2.65	3.45	4.20
1.70	0.30	0.50	0.40	1.15	5.70	6.30	7.30	7.65
1.75	0.50	—	—	1.20	15.30	—	—	16.50

Previous day's open int: Calls 907 Puts 165
Volume: 188

PHILADELPHIA SE £/$ OPTIONS
£12,500 (cents per £1)

Strike Price	Calls—Last Sept.	Oct.	Nov.	Dec.	Puts—Last Sept.	Oct.	Nov.	Dec.
1.500	14.50	14.50	14.50	14.50	—	—	0.05	0.10
1.525	12.00	12.00	12.00	12.00	—	—	0.10	0.25
1.550	9.50	9.50	9.50	9.50	—	0.05	0.20	10.50
1.575	7.00	7.00	7.00	7.30	—	0.20	0.50	1.00
1.600	4.50	4.70	5.00	5.30	0.05	0.50	1.05	1.60
1.625	2.15	2.80	3.20	3.60	0.20	1.20	—	2.50
1.650	0.65	1.60	2.05	2.35	1.05	2.30	3.10	3.80

Previous day's open int: Calls 152,948 Puts 114,281
Previous day's volume: Calls 6,800 Puts 3,415

LIFFE—EURODOLLAR OPTIONS
$1m points of 100%

Strike Price	Calls—Last Sept.	Dec.	Mar.	June	Puts—Last Sept.	Dec.	Mar.	June
91.50	1.12	0.61	0.52	0.55	0.00	0.23	0.50	0.79
91.75	0.87	0.43	0.40	0.44	0.00	0.30	0.63	0.93
92.00	0.62	0.27	0.29	0.34	0.00	0.39	0.77	1.08
92.25	0.38	0.17	0.21	0.26	0.01	0.54	0.94	1.25
92.50	0.17	0.10	0.14	0.19	0.05	0.72	1.12	1.43
92.75	0.04	0.06	0.09	0.13	0.17	0.93	1.32	1.62
93.00	0.01	0.03	0.06	0.09	0.39	1.15	1.54	1.83

Previous day's open int: Calls 2,355 Puts 2,963
Estimated volume, Calls 0 Puts 95

LONDON

20-YEAR 12% NOTIONAL GILT
£50,000 32nds of 100%

	Close	High	Low	Prev.
Sept.	114-26	115-04	114-15	114-18
Dec.	114-31	115-14	114-14	114-24
March	115-02	—	—	114-27

Estimated volume 32,262 (28,307)
Previous day's open int. 34,861 (32,939)

6% NOTIONAL LONG TERM JAPANESE GOVT BOND Y100m 100ths of 100%

	Close	High	Low	Prev.
Sept.	103.10	104.25	103.10	105.33
Dec.	102.35	104.00	102.20	104.63

Estimated Volume 951 (518)
Previous day's open int. 368 (512)

THREE-MONTH STERLING
£500,000 points of 100%

	Close	High	Low	Prev.
Sept.	89.66	89.67	89.50	89.47
Dec.	89.57	89.60	89.37	89.34
March	89.63	89.64	89.46	89.43
June	89.65	89.65	89.50	89.47
Sept.	89.55	89.55	89.41	89.36
Dec.	89.55	89.39	89.39	89.36

Estimated Volume 6,985 (5,710)
Previous day's open int. 16,855 (17,040)

FT-SE 100 INDEX
£25 per full index point

	Close	High	Low	Prev.
Sept.	224.70	227.80	224.50	226.90
Dec.	229.30	231.60	229.90	231.40

Estimated volume 2,092 (2,057)
Previous day's open int. 6,835 (6,928)

THREE-MONTH EURODOLLAR
$1m points of 100%

	Close	High	Low	Prev.
Sept.	92.62	92.66	92.61	92.70
Dec.	91.88	91.97	91.85	92.07
March	91.52	91.61	91.50	91.72
June	91.26	91.36	91.26	91.45
Sept.	91.04	—	—	91.21
Dec.	90.86	—	—	91.01
Mar.	90.69	—	—	90.82
June	90.53	—	—	90.64

Estimated volume 7,470 (5,377)
Previous day's open int. 33,032 (33,468)

U.S. TREASURY BONDS 8%
$100,000 32nds of 100%

	Close	High	Low	Prev.
Sept.	85-08	86-13	85-07	87-19
Dec.	84-12	85-18	84-09	86-22
Mar.	83-16	—	—	85-26

Estimated Volume 9,422 (7,624)
Previous day's open int. 5,096 (4,707)

CHICAGO

U.S. TREASURY BONDS (CBT) 8%
$100,000 32nds of 100%

	Latest	High	Low	Prev.
Sept.	86-06	86-22	86-00	87-00
Dec.	85-08	85-25	85-01	86-01
Mar.	84-12	84-25	84-04	85-04
June	83-18	83-20	83-11	84-09
Sep.	82-22	82-31	82-20	83-16
Dec.	82-03	82-03	82-00	82-25
Mar.	81-08	81-12	81-08	82-04
June	—	—	—	81-17
Sept.	—	—	—	80-31
Dec.	79-26	79-26	79-23	80-14
Mar.	—	—	—	79-31

U.S. TREASURY BILLS (IMM)
$1m points of 100%

	Latest	High	Low	Prev.
Sept.	93.78	93.79	93.72	93.77
Dec.	93.20	93.22	93.16	93.26
Mar.	92.90	92.92	92.89	92.98
Jun.	92.70	92.70	92.66	92.76
Sept.	—	—	92.48	92.58
Dec.	—	—	92.33	92.43
Mar.	92.17	—	92.17	92.27

SWISS FRANC (IMM)
SFr 125,000 $ per SFr

	Latest	High	Low	Prev.
Sep.	0.6722	0.6728	0.6707	0.6700
Dec.	0.6786	0.6792	0.6770	0.6762
Mar.	—	0.6855	0.6845	0.6824
June	—	—	—	0.6885

JAPANESE YEN (IMM)
Y12.5m $ per Y100

	Latest	High	Low	Prev.
Sept.	0.7097	0.7105	0.7089	0.7067
Dec.	0.7158	0.7165	0.7150	0.7126
Mar.	0.7226	0.7231	0.7215	0.7192
June	—	—	—	0.7264

DEUTSCHE MARK (IMM)
DM125,000 $ per DM

	Latest	High	Low	Prev.
Sept.	0.5543	0.5549	0.5533	0.5528
Dec.	0.5592	0.5597	0.5580	0.5574
Mar.	—	0.5637	0.5632	0.5620
June	—	—	—	0.5666

THREE-MONTH EURODOLLAR (IMM)
$1m points of 100%

	Latest	High	Low	Prev.
Sept.	92.64	92.65	92.61	92.67
Dec.	91.92	91.95	91.89	92.01
Mar.	91.55	91.58	91.52	91.66
June	91.31	91.32	91.25	91.40
Sept.	91.08	91.11	91.05	91.18
Dec.	90.91	90.93	90.88	90.99
Mar.	90.73	90.77	90.72	90.81
June	90.59	90.62	90.55	90.65

STANDARD & POORS 500 INDEX
$500 times index

	Latest	High	Low	Prev.
Sept.	323.40	324.80	321.50	323.35
Dec.	326.00	327.50	324.30	326.25
Mar.	329.00	330.20	327.30	329.20
June	332.00	333.00	330.10	332.00

CURRENCY FUTURES

POUND—$ (FOREIGN EXCHANGE)

Spot	1-mth.	3-mth.	6-mth.	12-mth.
1.6505	1.6363	1.6394	1.6307	1.6170

IMM—STERLING $s per £

	Latest	High	Low	Prev
Sept.	1.6460	1.6480	1.6430	1.6390
Dec.	1.6250	1.6380	1.6320	1.6270
Mar.	1.6275	1.6275	1.6275	1.6160
June	—	1.6160	—	1.6045

LIFFE—STERLING £25,000 $ per £

	Close	High	Low	Prev
Sept.	1.6475	1.6420	1.6418	1.6388
Dec.	1.6368	1.6365	1.6365	1.6267
Mar.	1.6287	—	—	1.6160

Estimated volume 120 (6)
Previous day's open int 891 (893)

MONEY MARKETS

UK rates fall

INTEREST RATES declined on the London money market yesterday, after Mr Nigel Lawson, Chancellor of the Exchequer, said last month's rise of 1 per cent in UK bank base rates was sufficient and had been vindicated by subsequent news on the economy.

The continuing strength of sterling also added to market confidence, and there was no reaction to a surprising fall of $457m in August UK official reserves, indicating the Bank of England had been more active than dealers thought in supporting the pound.

Three-month interbank fell 10¼-10⅛ per cent from 10⅜-10¼ per cent and 12-month to 10⅞-10⅝ per cent from 11-10⅞ per cent.

UK clearing bank base lending rate 10 per cent since August 7

The Bank of England initially forecast a money market shortage of £700m, but revised this down sharply to £350m at noon, and then up to £500m in the afternoon. Total help of £451m was provided.

Before lunch the authorities bought £28m bank bills in band 4 at 9⅞ per cent.

In the afternoon another £123m bills were purchased, by way of £25m local authority bills in band 1 at 9⅞ per cent and £98m bank bills in band 1 at 9⅞ per cent.

Late assistance of around £300m was also provided.

Bills maturing in official hands, repayment of late assistance, and a take-up of Treasury bills drained £167m, with Exchequer transactions absorbing £320m; a rise in the note circulation £45m; and bank balances below target £170m.

In Frankfurt call money fell to 3.75 per cent from 3.90 per cent in spite of a lower than expected allocation of funds by the Bundesbank at a securities repurchase agreement tender. The central bank accepted bids of DM 4.9bn for a 35-day agreement, against an expiring agreement of DM 5.3bn.

Dealers said September is a heavy month for tax payments, but with banks comfortably placed for liquidity at present, the authorities do not wish to provide too much help at present.

Banks held DM 6.8bn at the Bundesbank on Monday, to give a monthly average of DM 51.8bn, and meeting the minimum requirement of DM 51.5bn.

No problems are expected with market liquidity until next week, when repurchase agreements totalling DM 17.5bn expire.

In Tokyo, the Bank of Japan injected funds into the money market, to meet a Y2,540bn temporary shortage caused by tax payments. The central bank bought Y300bn of two-month commercial bills. It also purchased Y900bn in deficit financing bills and released bank reserve funds into the market.

In Paris, the bank of France said it will offer FFr 9bn of negotiable Treasury bills at its next tender on September 7.

FT LONDON INTERBANK FIXING

(11.00 a.m. Sept.2) 3 months U.S. dollars		6 months U.S. dollars	
bid 7⅞	offer 7⅞	bid 7½	offer 7⅝

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	8.25
Broker loan rate	8-7¾
Fed. funds	6⅝
Fed funds at intervention	6¾

Treasury Bills and Bonds

One month	5.79	Three year	8.43
Two month	5.99	Four year	8.61
Three month	6.25	Five year	8.77
Six month	6.64	Seven year	9.06
One year	7.35	10 year	9.24
Two year	8.13	30 year	9.40

September 2	Overnight	One Month	Two Months	Three Months	Six Months	Lombard Intervention
Frankfurt	3.65–3.75	3.80-3.95	3.80-3.95	3.85-4.00	4.15-4.30	5.0
Paris	7⅛–7⅛	7⅞-7⅛	7⅞-7⅞	7⅞-7⅞	8⅛-8⅞	7½
Zurich	⅞-1¼	3⅞-3¾	—	3½-3¾	—	—
Amsterdam	5⅛–5⅛	5⅛–5¼	—	5¼-5⅜	—	—
Tokyo	3.46875	3.71875	—	3.78125	—	—
Milan	11⅞-12¼	12½-13	—	12⅝-13⅛	—	—
Brussels	5.30	6⅞-6⅞	—	6⅝-6¾	—	—
Dublin	9½-9½	9¼–9⅝	9⅝-9¾	9⅞-10⅛	10½–10¾	—

LONDON MONEY RATES

Sept.2	Over-night	7 days notice	Month	Three Months	Six Months	One Year
Interbank	10-8	9⅞–9⅞	9⅞-9⅞	10¼-10⅛	10⅝-10⅜	10⅞–10⅝
Sterling CDs.	—	—	9⅞-9⅞	10¼-10⅛	10⅞–10⅜	10⅞-10⅝
Local Auth'rity Deps.	9⅝	9⅝	9⅞	10¼	10½	10¾
Local Authority Bonds	—	—	9⅞	10⅛	10⅝	10⅞
Discount Mkt Deps.	9½-8	9⅝–9¼	9⅝	9⅞	—	—
Company Deposits	10–9⅝	10½–9⅝	9⅞	10½	10⅝	10⅞
Finance House Deposits	—	—	9⅞	10⅜	10⅝	10¾
Treasury Bills (Buy)	—	—	9⅞	9⅞	—	—
Bank Bills (Buy)	—	—	9¾	9⅞	10⅛	—
Fine Trade Bills (Buy)	—	—	10⅛	10⅞	10⅞	—
Dollar CDs	—	—	7.05-7.00	7.20-7.15	7.50-7.45	8.05-8.00
SDR Linked Deposits	—	—	6⅞-6¼	6⅞-6⅞	6¾-6½	7⅛-6⅞
ECU Linked Deposits	—	—	7⅞–7⅛	7⅝-7¼	7⅞-7⅞	7⅞-7⅞

Treasury Bills (sell); one-month 9⅝ per cent; three-months 9⅞ per cent; Bank Bills (sell): one-month 9⅞ per cent; three months 9⅞ per cent; Treasury Bills; Average tender rate of discount 9.8670 p.c. ECGD Fixed Rate Sterling Export Finance. Make up day August 28, 1987. Agreed rates for period September 23 to October 25 1987, Scheme I: 11.24 p.c., Schemes II & III: 11.31 p.c. Reference rate for period August 1 to August 28, 1987, Scheme IV: 10.037 p.c. Local Authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 10 per cent from September 1, 1987: Bank Deposit Rates for sums at seven days' notice 3-3½ per cent. Certificates of Tax Deposit (Series 6); Deposit £100,000 and over held under one month 8 per cent; one-three months 8¾ per cent; three-six months 10½ per cent; six-nine months 10⅝ per cent; nine-12 months 10¾ per cent; Under £100,000 8 per cent from September 2, Deposits withdrawn for cash 5 per cent.

Company Notices

THE SUNGEI BESI MINES MALAYSIA BERHAD
(Incoporated in Malaysia)

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Eleventh Annual General Meeting of members of The Sungei Besi Mines Malaysia Berhad will be held at the PNB Theatrette, 2nd Floor, Menara PNB, 201A, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia on Tuesday, 29th September 1987 at 10.00 a.m. for the following purposes:

To consider and, if thought fit, pass the following as ordinary resolutions:

1. 'That the profit and loss account for the year ended 31st March 1987 and the balance sheet of the Company at that date and the statement of source and application of funds of the Company together with the annexed reports of the Directors and Auditors be and are hereby received and adopted.'
2. 'That Encik Zain Azahari bin Zainal Abidin, who retires by rotation, be and is hereby re-elected a Director of the Company.'
3. 'That Messrs Peat Marwick, who are eligible and have given their consent for re-appointment, be and are hereby re-appointed the Company's Auditors for the period until the conclusion of the next Annual General Meeting and that the remuneration to be paid to them be fixed by the Board.'

By Order of the Board
Azlina Abdul Aziz
Secretary

Kuala Lumpur
3rd September 1987

Notes:

A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.

A form of proxy to be valid must reach the Registrars' office at 32nd Floor, Menara PNB, 201A, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia or the United Kingdom Registrars' Office at Hill Samuel Registrars Limited, 6, Greencoat Place, London SW1P 1PL, not less than 48 hours before the meeting.

There are no Directors' service contracts required by The Stock Exchange, London to be made available for inspection at the meeting.

THE ENGLISH ELECTRIC COMPANY LIMITED

6¼% DEBENTURE STOCK 1984/89

In accordance with the terms of the Trust Deed a drawing for redemption purposes of £253,423 of the above stock will take place on the 14th September, 1987. The Register of Stockholders will be closed from the 11th September, 1987 to the 24th September, 1987 both days inclusive. Notices to stockholders will be posted on the 25th September, 1987.

By Order of the Board,
N. PORTER, Secretary.

CREDIT FONCIER DE FRANCE
ECU 50.000.000.—Floating Rate Notes 1983/1993

Bondholders are hereby informed that the rate applicable for the nineteenth interest period has been fixed at 7⅛%.

Coupon No. 19 will be payable as from November 30th, 1987 at the price of ECU 199,10 equivalent to an interest of 94 days, covering the period from August 28th, 1987 to November 29th, 1987 inclusive.

The Reference Agent
CREDIT LYONNAIS—LUXEMBOURG

Art Galleries

OMELL GALLERIES. An exhibition of Russian and Scandinavia Paintings. 43a Duke Street, St James's, London, SW1. Tel: 01-930 7744. Mon.-Fri. 9.30-5, Sat 10.1.

CLASSIFIED ADVERTISEMENT RATES

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Appointments	12.50	43.00
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WORLD MARKETS

FT-ACTUARIES WORLD INDICES

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	WEDNESDAY SEPTEMBER 2 1987					TUESDAY SEPTEMBER 1 1987			DOLLAR INDEX		
Figures in parentheses show number of stocks per grouping	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Local Currency Index	1987 High	1987 Low	Year ago (approx)
Australia (93)	166.15	+1.5	149.29	153.49	2.40	163.61	147.91	151.59	166.15	99.92	77.69
Austria (16)	97.88	+0.8	87.95	91.82	2.24	97.11	87.79	91.41	101.62	85.53	94.20
Belgium (48)	133.22	+0.2	119.70	123.86	3.81	132.90	120.15	124.22	134.89	96.19	91.17
Canada (129)	137.50	-0.1	123.55	130.88	2.27	137.71	124.49	131.32	141.78	100.00	99.73
Denmark (39)	122.55	-0.3	110.11	115.67	2.41	122.88	111.09	116.58	124.21	98.18	94.36
France (121)	114.53	+0.0	102.91	108.42	2.59	114.50	103.51	108.93	121.82	98.39	99.21
West Germany (92)	104.72	-0.2	94.10	98.16	1.92	104.93	94.86	98.87	104.93	84.00	97.54
Hong Kong (45)	146.87	-0.1	131.97	147.20	2.38	147.06	132.95	147.40	147.06	96.89	78.18
Ireland (14)	144.14	+0.6	129.51	137.37	3.24	143.31	129.55	137.46	145.41	99.50	84.25
Italy (76)	89.30	+0.0	80.24	87.10	2.08	89.26	80.69	87.49	112.11	84.22	107.12
Japan (458)	151.91	-0.1	136.49	135.34	0.50	152.08	137.49	136.37	161.28	100.00	98.56
Malaysia (36)	173.08	+0.7	155.52	167.26	2.22	171.90	155.40	166.34	193.64	98.24	94.85
Mexico (14)	371.20	+0.2	333.54	607.97	0.49	370.58	335.01	607.97	371.20	99.72	61.77
Netherland (37)	128.12	-1.0	115.12	118.71	3.76	129.44	117.02	120.64	131.41	99.65	101.75
New Zealand (24)	126.28	+1.3	113.47	108.79	2.71	124.69	112.72	108.59	126.28	83.93	72.26
Norway (24)	175.24	+0.7	157.46	157.34	1.72	174.00	157.30	157.29	175.24	100.00	108.42
Singapore (27)	167.57	+1.5	150.57	162.25	1.51	165.10	149.25	160.00	174.28	99.29	91.80
South Africa (61)	184.37	+1.5	165.66	136.65	3.03	181.72	164.28	135.84	198.09	100.00	97.71
Spain (43)	161.19	+0.9	144.84	147.64	2.67	159.69	144.36	147.05	161.19	100.00	100.99
Sweden (33)	128.05	+0.6	115.05	120.32	1.92	127.30	115.08	120.10	130.84	90.85	94.10
Switzerland (53)	108.95	+0.5	97.89	100.54	1.64	108.39	97.98	100.56	109.22	92.01	96.18
United Kingdom (333)	151.94	-0.2	136.52	136.52	3.22	152.30	137.68	137.68	162.87	99.65	101.01
USA (589)	131.42	-0.6	118.08	131.42	2.79	132.14	119.46	132.14	137.42	100.00	104.30
Europe (929)	127.27	-0.1	114.35	117.24	2.78	127.41	115.18	118.03	128.35	99.78	100.00
Pacific Basin (683)	152.19	+0.0	136.75	136.25	0.64	152.24	137.63	137.13	158.77	100.00	97.08
Euro—Pacific (1612)	142.30	-0.1	127.86	128.69	1.40	142.38	128.72	129.53	143.65	100.00	98.24
North America (718)	131.74	-0.5	118.37	131.41	2.76	132.44	119.73	132.12	137.55	100.00	104.06
Europe Ex. UK (596)	111.96	+0.0	100.60	105.32	2.41	111.97	101.22	105.87	111.97	98.02	99.42
Pacific Ex. Japan (225)	155.71	+1.0	139.92	147.35	2.36	154.22	139.42	146.29	155.71	99.92	78.49
World Ex. US (1816)	142.73	+0.0	128.25	129.15	1.45	142.79	129.09	129.96	143.38	100.00	98.23
World Ex. UK (2072)	136.97	-0.2	123.07	129.57	1.81	137.29	124.11	130.31	138.82	100.00	100.56
World Ex. So. Af. (2344)	138.00	-0.2	124.00	130.12	1.94	138.34	125.06	130.91	139.47	100.00	100.60
World Ex. Japan (1947)	131.79	-0.3	118.42	127.59	2.75	132.18	119.50	128.24	134.03	100.00	101.56
The World Index (2405)	138.30	-0.2	124.26	130.20	1.95	138.62	125.31	130.98	139.73	100.00	100.59

Base values: Dec 31, 1986 = 100

Mexican Market was closed for Public Holiday September 1.

EUROPEAN OPTIONS EXCHANGE

Series		Nov 87 Vol.	Nov 87 Last	Feb 88 Vol.	Feb 88 Last	May 88 Vol.	May 88 Last	Stock
GOLD C	$460	36	23	102	32	12	44.50	$463.90
GOLD C	$480	40	12.80B	10	24.50	—	—	"
GOLD C	$500	110	9.50	2	16.50	40	23	"
GOLD C	$520	32	4.20	43	12	—	—	"
GOLD P	$370	50	0.50	—	—	—	—	"
GOLD P	$420	395	2.80	—	—	—	—	"
GOLD P	$440	20	5.20	32	9.50	—	—	"
		Sep 87		Dec 87		Mch 88		
SILVER C	$700	—	—	32	110	—	—	$774
SILVER C	$1000	—	—	105	20	—	—	"
SILVER P	$750	—	—	45	45	—	—	"
		Sep 87		Oct 87		Nov 87		
$/Fl C	Fl.190	200	13.40	—	—	—	—	$Fl.203.35
$/FL C	Fl.195	600	8.30	—	—	—	—	"
$/Fl. C	Fl.205	17	0.90B	3	2	10	3.20	"
$/Fl. C	Fl.215	600	0.20	—	—	—	—	"
$/FL P	Fl.200	22	0.70	33	1.70	—	—	"
$/Fl. P	Fl.205	31	2.50	—	—	11	5.20	"

		Dec 87 Vol.	Dec 87 Last	March 88 Vol.	March 88 Last	June 88 Vol.	June 88 Last	Stock
$/Fl C	Fl.190	—	—	1	13.50	—	—	Fl.203.35
$/Fl C	Fl.200	—	—	25	6.90	18	8	"
$/Fl C	Fl.205	74	3.70	2	5.10	4	5.80	"
$/Fl P	Fl.195	—	—	40	3.10	—	—	"
$/Fl P	Fl.200	58	3.60	—	—	—	—	"
$/Fl P	Fl.205	142	6.10	3	8	—	—	"
$/Fl P	Fl.210	16	9.50	1	10.70B	—	—	"

		Oct. 87 Vol.	Oct. 87 Last	Jan. 88 Vol.	Jan. 88 Last	Apr. 88 Vol.	Apr. 88 Last	Stock
ABN C	Fl.50	2419	1.40	380	3.60	1	5.20	Fl.49.60
ABN P	Fl.44	1070	0.10	—	—	—	—	"
AEGON C	Fl.00	252	0.60	71	2.50	2	5	Fl.89.30
AEGON P	Fl.90	104	3.80	40	5.60A	43	5.80	"
AHOLD C	Fl.110	28	2.30	4	5.50	17	7.50	Fl.104.20
AHOLD P	Fl.105	94	4.70B	11	6	—	—	"
AHOLD C	Fl.109.10	50	2.80	—	—	—	—	"
AKZO C	Fl.180	1203	3.60	454	8.20A	39	11.80	Fl.170.50
AKZO P	Fl.170	1134	5	72	9	17	9.50	"
AMEV C	Fl.65	74	0.90	277	3.20	11	5.10	Fl.60.60
AMEV P	Fl.55	—	—	200	1.30	25	2.30	"
AMRO C	Fl.90	167	2	65	4.70	8	7	Fl.87.30
ELSEVIER C	Fl.60	553	4	81	6.70A	—	—	Fl.60.50
ELSEVIER P	Fl.54	531	1.30	—	—	—	—	"
GIST-BROC.C	Fl.55	142	0.50	188	1.50	29	2.50	Fl.46.50
GIST-BROC. P	Fl.50	686	4	233	5	10	5.30	"
HEINEKEN C	Fl.190	101	5.20	15	10.20	—	—	Fl.184.50
HEINEKEN P	Fl.180	343	5.40	35	9	1	11	"
HOOGOVENS C	Fl.45	184	4.70B	2	7	17	8.70	Fl.47.60
HOOGOVENS P	Fl.45	219	1.20	57	2.80	—	—	"
KLM C	Fl.55	455	1.50	152	3.40	12	5.10	Fl.51.80
KLM P	Fl.50	276	1	470	3	71	3.90	"
NEDLLOYD C	Fl.180	70	9	5	15.50	—	—	Fl.178.50
NEDLLOYD P	Fl.170	82	5.80	3	11	—	—	"
NAT.NED. C	Fl.80	235	1.50	50	4	7	6	Fl.75.70
PHILIPS C	Fl.55	1206	1	478	2.60	68	3.50	Fl.52.20
PHILIPS P	Fl.55	208	3.50	10	4.60	52	5.70	"
ROBECO P	Fl.110	4	1.30	40	3	—	—	Fl.111.80
UNILEVER C	Fl.144	306	3.90	55	8.50	—	—	Fl.139.90
UNILEVER P	Fl.140	206	4.50	31	7.50B	7	10.50	"

TOTAL VOLUME IN CONTRACTS: 52,032

A=Ask B=Bid C=Call P=Put

BASE LENDING RATES

	%		%		%
ABN Bank	10	● Charterhouse Bank	10	Nat Bk. of Kuwait	10
Adam & Company	10	Citibank NA	10	NatWestminster	10
Allied Arab Bk Ltd	10	City Merchants Bank	10	Northern Bank Ltd	10
Allied Dunbar & Co	10	Clydesdale Bank	10	Norwich Gen. Trust	10
Allied Irish Bank	10	Comm. Bk. N. East	10	PK Finans. Int'l (UK)	10½
American Exp. Bk	10	Consolidated Cred.	10	Provincial Trust Ltd	11
Amro Bank	10	Co-operative Bank	*10	R. Raphael & Sons	10
Henry Ansbacher	10	Cyprus Popular Bk	10	Roxburghe G'rantee	10½
ANZ Banking Group	10	Duncan Lawrie	10	Royal Bk of Scotland	10
Associates Cap Corp	10	Equat'r'l Tst C'p plc	10	Royal Trust Bank	10
Authority & Co Ltd	10	Exeter Trust Ltd	10½	Smith & Williams Secs	10
Banco de Bilbao	10	Financial & Gen. Sec.	10	Standard Chartered	10
Bank Hapoalim	10	First Nat. Fin. Corp	11	TSB	10
Bank Leumi (UK)	10	First Nat. Sec. Ltd	11	UDT Mortgage Exp.	¶11.1
Bank Credit & Comm	10	● Robert Fleming & Co.	10	United Bk of Kuwait	10
Bank of Cyprus	10	Robert Fraser & Ptrs	11	United Mizrahi Bank	10
Bank of Ireland	10	Girobank	10	Unity Trust PLC	10
Bank of India	10	Grindlays Bank	10	Western Trust	10
Bank of Scotland	10	● Guinness Mahon	10	Westpac Bank Corp	10
Banque Belge Ltd	10	HFC Trust & Savings	10	Whiteaway Laidlaw	10½
Barclays Bank	10	● Hambro Bank	10	Yorkshire Bank	10
Benchmark Tst Ltd	10	Heritable & Gen. Tst.	10		
Beneficial Trust Ltd	11	● Hill Samuel	§10		
Berliner Bank AG	10	C. Hoare & Co.	10		
Brit Bk of Mid East	10	Hongkong & Shangh	10		
● Brown Shipley	10	Lloyds Bank	10		
Business Mtge Tst	10	Meghraj & Sons Ltd	10		
CL Bank Nederland	10	Midland Bank	10		
Canada Permanent	10	● Morgan Grenfell	10		
Cayzer Ltd	10	Mount Credit Corp. Ltd	10		

● Members of the Accepting Houses Committee. * 7-day deposits 5%. Savewise 7.66%. Top Tier—£2,500+ at 3 months' notice 9.31%. At call when £10,000+ remains deposited. ¶ Mortgage base rate. § Demand deposit 4.98%. Mortgage 10.5%.

FT CROSSWORD PUZZLE No. 6,420

GRIFFIN

1		2		3		4		5		6		7		8

ACROSS

1 Drink for the prison officer's chauffeur? (11)
7 Captor (28) removed beret (3)
9 Dance round behind member (5)
10 Paris, damaged in action, lost hope (9)
11 Angry dining club worker (9)
12 Children always lose part of the kidney (5)
13 Plays at being in The Sappers (7)
15 Telephone equipment last seen inside (4)
18 File 'P' after 'R' for instance (4)
20 Cabinet maker? (7)
23 Intimate moment around back porch (5)
24 Star sign he's found in word-finder (9)
26 Sway, dropping broken funnel in ice (9)
27 As I moved in, about to build (5)
28 Hill, after 7 across, gets catcher (3)
29 See-through dress patterns smuggled in (11)

DOWN

1 Is installing adjustable stools for performers (8)
2 Passed away after mere fracture was repaired (8)
3 To be worn out by midnight is bad (5)
4 Shine in class, getting rising support (7)
5 Lady model or guest (7)
6 Back row is put in new order (9)
7 Cigar firm Nora runs (6)
8 Row of whitish front doors inside (6)
14 Athletes wear this scent to please (8)
16 Minehead-Nigeria flight causes headache (8)
17 Possible customer quietly parking new Escort outside (8)
19 Flower and vegetable unit developed internally (7)
20 Lady whose writings reach similar sound conclusions? (7)
21 Stir-crazy convict, heartlessly harsh (6)
22 Be unlike Fred, perhaps, if imprisoned (6)
25 Vessel carrying vitally important liquid (5)

Solution to Puzzle No. 6,419

FISHOUTOFWATER
INTER FIREIRONS
ASSIZES STEPPED
DRAWN ESPLANADE
EXERCISER TACIT
DISCUSS EXPLOIT
ADVENTURE EVADE
SINGLEBREASTED

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

	Bid Price	Offer Price	+ or −	Yield Gross
Abbey Unit Tst. Mngrs. (a) 80 Holdenhurst Rd, Bournemouth 0345 717373				
High Income				
American Income	53.9	57.3xd	-0.6	4.57
Gilts & Fixed Int.	107.6	113.8xd	+1.0	10.34
High Inc Equity	141.0	150.8	+2.5	3.57
Worldwide Bond	186.5	198.4xd	-1.6	4.09
Capital Growth				
American Growth	182.2	193.8	-3.1	0.73
Asian Pacific	95.0	101.0	+3.4	1.26
Assets & Earnings Tst	185.8	197.6	+1.1	0.98
Capital Reserve	73.4	73.8	+0.2	1.37
Commodity & Energy	187.2	199.1xd	+0.2	0.0
European Capital	97.5	103.7	-0.5	6.72
General	186.2	198.0	+0.7	2.27
Japan	94.6	100.6	-1.1	0.0
Mastertrust	89.7	98.4	-0.1	1.34
UK Growth Acc Units	268.9	285.4	+0.5	0.85
UK Growth Dist	184.7	196.4	+0.4	1.24
U.S. Emerging Co's	59.0	62.7	-0.3	0.27
Income & Growth	307.4	327.0	+1.5	2.36
AEtna Unit Trusts Ltd(a)(b)(c) 401 St John St, London EC1V 4QE 01-837 6494				
European Growth	136.5	145.4	+0.1	0.99
Exempt	450.6	472.7xd	+1.7	3.40
(Accum Units)	1075.9	1128.7	+4.2	3.40
Far Eastern	262.7	281.0xd	-2.6	0.10
(Accum. Units)	284.0	303.7	-2.9	0.10
Fin & Property	106.5	112.8xd	+0.9	1.46
(Accum. Units)	170.6	180.7	+1.4	1.46
High Yield	86.2	91.3	+0.1	3.95
(Accum. Units)	197.4	209.1	+0.2	3.95
Brown Shipley & Co Ltd (a)(g) 9-17 Perrymount Rd, Haywards Hth 0444 412262/3/4/5				
B.S. Portfolio Fnd	114.1	121.4xd	+0.9	0.85
B.S. Accum	191.4	203.8	+1.4	0.85
European Fund	25.7	27.3	....	0.97
Exempt Fund	368.4	391.9	+3.1	1.50
Financial	230.3	245.0xd	+1.7	3.09
German	34.2	36.3	....	0.62
High Income	99.1	105.4xd	+0.5	4.08
Income	119.8	127.4	+1.1	3.12
North American	69.6	74.1	-1.0	0.53
Orient	117.3	124.8	+1.0	0.25
Recovery	89.8	95.0	+0.6	0.89
Smaller Cos Fd Accum	468.6	499.9	+1.1	0.56
Smaller Cos Fd Inc	297.5	314.8	+0.8	0.56
Technology	168.7	178.5	-1.5	0.26
Brycourt Unit Trust Mgmt Ltd(a)(c)(d) Hesketh Hse, Portman Sq, W1H 0JR 01-935 6382				
Income Growth	202.5	209.9	—	3.26
Buckmaster Management Co Ltd (a) (c) The Stock Exchange, London EC2P 2JT 01-588 2868				
Fellowship Tst Sept 1	73.9	78.6	—	1.37
(Accum Units) Sept 1	74.3	79.0	—	1.37
General Inc Aug 27	336.2	352.9	—	1.76
Accum Units Aug 27	544.7	571.6	—	1.76
Income Sept 2	151.4	158.9	—	4.02
(Accum Units) Sept 2	275.7	288.6	—	4.02
International Sept 1	171.8	180.0	—	1.00
(Accum Units) Sept 1	229.8	240.8	—	1.00
Smaller Co's Aug 27	117.8	124.3	—	1.28
(Accum Units) Aug 27	126.8	133.8	—	1.28
Burrage Unit Trust Mngmnt Ltd 117 Fenchurch St, London EC3M 5AL 01-480 7216				
Short Dtd Gilt & FI	49.8	50.0xd	—	1.52
CGL Unit Trusts Limited 74, Shepherds Bush Green, Ldn, W12 8SQ 01-740 7070				
UK General Trust	55.6	59.3	+0.2	2.2
Global Trust	55.9	59.5	-0.3	1.00
CS Fund Managers Limited 125 High Holborn, London WC1V 6PY 01-242 1148				

FT UNIT TRUST INFORMATION SERVICE

Mercury Fund Managers Ltd (c)
33 King William St, EC4R 9AS 01-280 2060

American Growth	119.1	126.7	—	1.12
(Accum Units)	119.6	126.5	—	1.12
American Income	52.3	55.3	—	4.14
(Accum Units)	57.0	60.3	—	4.14
American Sm Cos Fd	51.7	54.7	—	0.45
(Accum Units)	51.7	54.7	—	0.45
British Blue Chip Fund	51.6	54.6	+0.3	2.31
(Accum Units)	51.6	54.6	+0.3	2.31
European Growth	158.9	168.1xd	+0.2	1.48
(Accum Units)	165.9	175.5xd	+0.1	1.48
European Income	86.0	91.0	+0.1	5.30
(Accum Units)	90.4	95.6	+0.1	5.30
Exempt	349.2	398.1xd	—	2.26
(Accum Units)	552.2	566.3	—	2.26
General	378.5	400.5	+0.9	1.31
(Accum Units)	632.6	669.4	+1.5	1.31
Gilt	86.4	86.5	+0.4	8.42
(Accum Units)	102.7	109.2	+0.6	8.42
Global Fund	52.6	55.4	-0.1	0.65
(Accum Units)	52.6	55.6	-0.1	0.65
High Income Fund	52.9	55.9xd	+0.2	4.68
(Accum Units)	53.7	56.8xd	+0.2	4.68
High Interest Fund	43.0	45.5xd	+0.2	9.87
(Accum Units)	43.4	45.9xd	+0.2	9.87
Income	125.0	132.2xd	+0.3	2.84
(Accum Units)	144.3	152.6xd	+0.4	2.84
International	315.9	334.2	—	0.51
(Accum Units)	395.2	418.2	—	0.51
Japan	219.5	232.2	—	0.51
(Accum Units)	225.3	238.4	+0.3	0.51
Pacific Fund	58.5	61.8	-0.4	0.10
(Accum Units)	58.5	61.8	-0.4	0.10
Recovery	314.0	332.2	+1.7	1.28
(Accum Units)	341.6	361.4	+1.9	1.28
UK Smaller Co's Fund	55.3	58.5xd	+0.3	1.69
(Accum Units)	55.8	59.0xd	—	1.69

Merlin Fund Managmt Ltd
30 St James St, London SW1A 1HB 01-925 1277

Merlin Sept 1	627.5	635.5	-2.0	1.98

Metropolitan Unit Trust Mngrs Ltd
3 Darkes Lane, Potters Bar EN6 1AJ. 0707 45184

UK Income Fund	61.2	65.1xd	+0.2	4.46
Accum Units	61.9	65.8xd	-0.2	4.56
UK Growth Fund Acc	61.8	65.7	+0.1	1.52
Global Income Fund	49.6	52.7	—	3.80
Accum Units	49.6	52.7	—	3.80
Global Growth Fund	50.9	54.1	-0.6	0.46

Provident Mutual Unit Trust Managers Ltd.
25-31 Moorgate, London, EC2R 6BA. 01-588 3963

PM Equity Growth	119.6	127.3	+0.6	2.01
PM Income and Growth	105.6	112.4	+0.1	2.95
PM N American Growth	58.9	63.4	-1.9	0.34
PM European Growth	52.6	56.0	+0.1	0.94
PM Japan Growth	76.6	81.6	-0.9	0.34
PM Overseas Growth	58.0	61.7	-0.8	0.45

Prudential Unit Trust Mngrs Ltd (a) (b) (c)
51-59 Ilford Hill, Ilford, Essex IG1 2DL 01-478 3377
Holborn Linkline 0800 010345

Holborn Comm Tst	83.0	87.8xd	+0.9	0.95
Holborn Equity Income	72.7	76.9xd	+0.4	3.35
Holborn Equity Tst	592.6	627.0	+3.4	2.15
Holborn European Tst	125.6	132.9	-0.2	0.82
Holborn Gilt Tst	203.5	214.2	+2.0	2.22
Holborn High Inc Tst	89.0	94.1	+0.3	4.99
Holborn Intl Gwth Tst	126.5	133.8xd	+0.1	0.65
Holborn Japanese Tst	240.8	252.3xd	-0.4	0.04
Holborn N. Amer. Tst	97.5	103.1	-1.3	0.47
Holborn Sm Cos Tst	80.2	84.8	+0.1	1.37
Holborn Spec Sits Tst	104.8	110.8	+1.2	1.32
Holborn UK Growth Tst	117.3	124.3xd	+1.0	1.51

Quilter Management Co Ltd
31-45 Gresham Street, London EC2 01-600 4177

Quadrant Gen. Fd	664.9	698.1	—	1.41
Quadrant Income	321.6	340.4	—	3.91
Quadrant Intl. Fund	465.3	492.4	—	1.01
Quadrant Spec. Sits	450.0	476.2	—	1.38

Reliance Unit Mgrs. Ltd
Reliance House, Tunbridge Wells, Kent 0892 510033

British Life	245.6	259.1	+1.1	2.35
Reliance Unit Tst (Inc)	170.2	180.8	+1.5	1.46
Reliance UT Tst (Acc)	228.9	243.4	+2.1	1.46

Rensburg Fund Managers
Silkhouse Ct., Tithebarn St., Liverpool. 051-227 2030

Internat. Growth Trust	52.0	54.7	-1.1	1.5

N.M. Rothschild Fund Mgmt
St Swithin's Lane, London EC4 01-634 2983/4

NC America (Inc)	331.7	352.8xd	-4.7	0.70
NC America (Acc)	366.9	389.2	-5.2	0.70
NC Inc Fd	121.8	133.8	+0.9	5.00
NC Japan Fd	222.4	236.5	-2.3	0.0

INSURANCES

FT UNIT TRUST INFORMATION SERVICE

OFFSHORE AND OVERSEAS

MANAGEMENT SERVICES

FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

BRITISH FUNDS

1987 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
101⅞	100	Treas. 12pc 1987	100	.....	11.97	9.97
99	97	Treas 7¾pc 1985-88‡‡	99		7.81	9.63
102¾	99	Exch 10½pc '88	100		10.49	10.31
101	98	Treas 9¾pc Cv '88	99		9.80	10.36
97	93	Transport 3pc '78-88	96		3.11	7.62
101	98	Treas. 9½pc '88	98		9.60	10.42
105	101	Treas 11½pc 1989	101		11.35	10.43
102	97	Treas 9½pc Cnv 1989	98		9.62	10.34
94	89	Treas 3pc 1989	93		3.22	7.41
104	99	Treas 10½pc 1989	100		10.49	10.38
103	98	Exch 10pc 1989	99		10.07	10.38
105	100	Exch 11pc 1989	101		10.88	10.42
95	89	Treas 5pc 1986-89	92		5.39	8.80
108	99	Exch 10¼pcCv '89	100		10.20	9.92
111	105	Treas 13pc 1990‡‡	106		12.34	10.35
106	100	Exch 11pc 1990‡‡	101		10.88	10.44
110	104	Exch. 12½pc 1990	104		10.96	10.43
91	84	Treas. 3pc 1990	88		3.40	7.97
100	93	Treas 8¼pc 1987-90‡‡	95		8.66	10.21
105	97	Treas. 10pcCv 1990	98		10.14	10.50
89	81	Exch 2½pc 1990	85		2.93	10.49
110	102	Treas 11¾pc 1991	103		11.37	10.49
95	87	Funding 5¾pc '87-91‡‡	88		6.50	9.61
89	80	Treas. 3pc 1991	84½		3.56	7.96
110	99	Treas 10pc Cv '91 ‡‡	100		10.02	10.04
109	101	Exch. 11pc 1991	102		10.81	10.44
96	91	Treas. 8pc 1991	92			
116	107	Treas 12¾pc 1992‡‡	108		11.79	10.36
106	97	Treas 10pc 1992	99		10.11	10.30
99	90	Treas. 8pc 1992 ‡‡	92		8.78	10.45
108	99	Treas 10½pc Cv 1992‡‡	100		10.45	10.34
85	79	Treas. 3pc 1992	79		3.74	8.03
115	106	Exch. 12¼pc '92	107		11.47	10.43
		Five to Fifteen Years				

BRITISH FUNDS—Contd

1987 High	Low	Stock		Price £	+ or −	Yield (1)	(2)
		Index-Linked	(b)				
131	125½	Treas. 2pc '88	(297.1)	131		—	2.03
117¾	108	Do. 2pc '90	(333.9)	114		0.98	3.06
99	93½	Do. 2pc '92‡‡	(385.8)	96		3.49	3.19
128	119	Do. 2pc '96	(267.9)	125		3.38	3.25
111	101	Do 2½pc '01	(308.8)	103		3.56	4.22
110	99	Do. 2½pc '03	(310.7)	101		3.54	4.20
113	101	Do. 2pc '06	(274.1)	103		3.59	4.10
108	95	Do. 2½pc '09	(310.7)	97		3.57	4.03
113	100	Do. 2½pc '11	(294.1)	102		3.68	3.97
95	83	Do. 2½pc '13	(351.9)	85		3.61	3.91
103	91	Do. 2½pc '16	(322.0)	93		3.41	3.84
101	89	Do. 2½pc '20	(327.3)	91		3.49	3.76
86	75	Do. 2½pc '24 ‡‡	(385.3)	77½		3.39	3.68

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures in parentheses show RPI base month for indexing, ie 8 months prior to issue. RPI for December 1986: 393.0 and for July 1987: 101.8 (rebased at 100 January 1987 conversion factor 3.945).

INT. BANK AND O'SEAS GOVT STERLING ISSUES

1987 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
115⅞	98⅞	African Dv Bk 11¼Ln 2010	108¼xd		11.10	11.08
109½	94	Asian Dev Bk 10⅛pcLn2009	96	+1	10.64	10.68
136	118	Australia 13½pc 2010	121		11.36	10.96
118¼	102¼	Do. 11½pcLn2015	103⅞	+1	10.95	10.92

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

1987 High	Low	Stock	Price £	+ or −	Div % Gross	Red. Yield
53	42	Greek 7pc Ass.	53	.....	3.50	16.60
50	40	Do. 6pc 28 Stb. Ass.	50xd	.....	3	16.00
50	45	Do 4pc Mixed Ass.	50	.....	2	14.23
66	58	Hung. '24 Ass	64	−2	2.75	14.30
146½	122⅞	Hydro Quebec 15pc 2011	130⅝		15.00	11.26
136¼	115½	Iceland 14½pc Ln 2016	123xd	+1	14.50	11.68
103½	94	Ireland 9¾pc '91-96	97¼xd	.....	9.75	10.25

AMERICANS

1987 High	Low	Stock	Price £	+ or −	Div Gross	C'vr	Y'ld Gr's
42	32⅞	Abbott Laboratories	37	−1¼	$1.00	—	1.6
40¼	24	Alcoa $1	32¾		$1.20	—	2.2
18	14	Allegheny & W $0.01	14⅞		30c	—	1.3
19	8¼	Amax $1	15⅞		—	—	—
27½	17¼	Amdahl 5c	25⅞	−1	20c	—	0.5
35⅞	25	Amer. Cyanamid $5	31⅝xd		$1.90	—	3.7
25	18	Amer. Express $0.60	21⅝xd	−1⅛	$1.44	—	4.1
12⅞	10	Amer. Medical Int. $1	10¼		72c	—	4.1
22½	14¼	American T. & T. $1	20⅛		$1.20	—	3.7
63	46	Ameritech $1	56⅛	−1¼	$4.72	—	5.2

Continued on next page

Money Market Bank Accounts

Money Market Trust Funds

UNIT TRUST NOTES

LONDON SHARE SERVICE

AMERICANS—Continued

1987 High	Low	Stock	Price £	+ or –	Div Gross	C'vr	Y'ld Gr's
30¾	22⅞	Sara Lee $1	27¼xd	–1	$1.00	—	2.2
11⅞	8¾	Saul (B. F.) $1	11⅛xd	–⅛	20c	—	1.1
26⅛	19⅝	Southwestern Bell $1	23¼	–⅞	ht$2.32	—	6.1
19	14¼	Staley Continental	18¼	–⅛	80c	—	2.7
44⅞	36⅛	Sun Co. Inc. $1	37⅞	–1½	$3.00	—	4.9
42¼	28½	TRW Inc. $0.625	36⅞	–2⅞	h$1.60	—	—
34⅞	25⅞	Tenneco $5	32⅛	–⅛	$3.04	—	5.8
202½	149½	Do. 10pcLn.Stk. 91-5	202½xd	.....	10%	—	15.0
29⅝	17⅛	Texaco $6.25	25⅛xd	–⅞	$3.00	—	7.2
74⅞	47¼	Time Inc. $1	68⅛xd	–2⅞	$1.00	—	0.9
15¼	11	Tracor $0.33	14½	.....	40c	—	1.7
30⅛	18⅞	Transamerica $1	27¼	–½	$1.76	—	4.0
14⅛	922p	Transworld Corp $5	12¼	–¼	20c	—	1.0
49½	29⅝	TRINOVA Corp.	46⅛	–2	h$1.00		1.3
24⅞	15⅛	♦USX $1	22¼	–⅛	$1.20	—	3.2
19⅛	15⅞	Union Carbide $1	17⅞	–⅛	$1.50	—	5.2
37⅞	26⅞	Utd. Technologies	34¼xd	–½	$1.40	—	2.5
38⅝	27	US West‖	34⅛	–⅛	$3.28	—	5.9
30½	17⅛	Waste Management $1	28⅝	–⅛	—	—	—
£31⅞	£30½	Whirlpool $1.0	£23⅞	.....	—	—	—
37⅛	26	♦Woolworth $3½	33⅞	+⅞	$1.32	—	2.4

CANADIANS

1987 High	Low	Stock	Price £	+ or –	Div Gross	C'vr	Y'ld Gr's
691p	373p	ABM Gold Corp ‖	389p	–5	—	—	—
21½p	10p	♦Abbot Energy Corp.	21p	.....	—	—	—
15⅛	506p	♦Amer. Barrick Res.	14⅛xd	+⅛	—	—	—
122p	52p	♦Armeco	76½p	–½	—	—	—
19⅛	14⅝	Bk. Montreal ‖	15	–⅛	$2.00	—	6.1
10½	745p	Bk. Nova Scot.‖	819p	–6	72c	—	4.0
20⅝	18	BCE ‖	19	–⅛	$2.40	—	5.8
10¼	712p	♦Bow Valley‖	871p	+26	40c	—	—
20	12⅝	♦Brascan‖	18⅝	.....	88c	—	2.2
609p	277p	♦Breakwater Res.	393p	–1	—	—	—
11⅝	894p	Can.Imp.Bk. $2	10⅝xd	.....	$1.08	—	4.8
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BANKS, HP & LEASING

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES & SPIRITS

[illegible]

BUILDING, TIMBER, ROADS

[illegible]

BUILDING, TIMBER, ROADS—Cont

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Cont.

[illegible]

ELECTRICALS

[illegible]

ENGINEERING

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

[illegible]

INDUSTRIALS—Continued

[illegible]

INSURANCES

[illegible]

LONDON SHARE SERVICE

INSURANCES—Continued

1987 High	Low	Stock	Price	+ or —	Div Net	C'vr	Y'ld Gr's	P/E
412	305	PWS Holdings 10p	376	.....	†9.25	2.9	3.4	14.1
430	316	Pearl Group 5p	383	+4	†10.5	—	3.8	—
*£11¼	804	Prudential	£10⅞	+⅛	29.0	—	3.9	—
580	433	Refuge 5p	557	.....	15.75	—	3.9	—
589	423	Royal	552	+1	†15.5	—	3.9	—
103	97	Sabine Ins. Invs	100		—	—	—	—
*345	274	Sedgwick Group 10p	300	−5	12.0	1.7	5.5	12.8
339	207	Steel Burrill J. 10p	264	−4	†9.0	2.0	4.7	14.7
668	403	Stewart Wr. 20p	560	−2	‡13.0	2.0	3.1	20.2
612	377	Sturge Hldgs 20p	530	.....	†16.0	2.5	1.6	34.7
£11	645	Sun Alliance	£10¼	+½	†23.5	—	3.2	—
£12½	929	Sun Life 5p	£11¼	.....	28.5	—	3.3	—
£69½	£39	♥Taisho M EDR	£53½	−2	Q10%	—	0.8	—
£22½	£14⅝	Torchmark $1.00	£19½	−⅝	Q$1.00	—	3.1	—
380	235	Trade Indemnity	375		4.5	—	1.6	—
£34	£24¾	Travelers $2.25	£28¼	−¼	$2.28	—	5.0	—
£30¼	£22⅝	USF & G Corp $2.50	£25½	.....	Q$2.48	—	6.1	—
£33¼	£20⅞	USLIFE Corp. $1.0	£25½	−3½	Q$1.20	3.2	2.9	5.6
728	555	‡Utd Friendly B 10p	718	.....	21.0	—	4.0	—
464	367½	Willis Faber 12½p	378	−1	10.75	2.6	3.9	14.4
128	41	Windsor Secs. 10p	126	+1	10.7	1.5	0.8	—

LEISURE

1987 High	Low	Stock	Price	+ or —	Div Net	C'vr	Y'ld Gr's	P/E
35½	11½	‡A & M Group 10p	25	+1½	—	—	—	♦
242	189	Airtours 10p	190	−4	R5.4	2.5	4.0	13.8
*549	302	Anglia TV	481	−5	†‡11.25	3.3	3.2	13.4
184	108	‡Aspinall Hldgs. 10p	172	.....	6.0	1.2	4.8	23.6
141	63	‡Avesco 1p	108	.....	0.5	6.7	0.6	30.5
65	40	‡BCE Hldgs 5p	53	−½	L0.0	♦	2.6	♦
263	132	Barr & W.A.T. 'A'	263	+8	18.0	1.4	4.2	21.2
58	19	Bent Media	47	.....	—	—	—	—
235	165	Boosey & Hawkes	230	.....	—	—	—	—
83	45	‡Border T.V.	57	−1	1.4	♦	3.4	♦
*439	43½	Brent Walker 10p	373	−7	g8.5	2.2	3.7	18.0
*292	120	Campari Int. 20p	287	+1	3.0	5.1	1.4	14.7
306	211	Castle Comms. 5p	283	.....	R7.0	2.2	3.5	18.0
211	127	Capital Radio 10p	174	+1	[illegible]			

MOTORS

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PAPER, PRINTING—Continued

PROPERTY

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TEXTILES—Cont.

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

FINANCE, LAND—Cont.

Finance, Land, etc

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Diamond and Platinum

Central African

Finance

Australians

MINES—Continued

Tins

Miscellaneous

THIRD MARKET

1987 High	Low	Stock	Price	+ or —	Div Net	C'vr	Gr's	P/E
151	47	Corton Beach 10p	126	+1	0.4	♦	0.4	♦
200	150	Crown Eyeglass 5p	170	+3	—	—	—	—
*62	18	Eglinton Oil Ir.5p	28	.....	—	—	—	—
41	17	Do. Warrants	18	.....	—	—	—	—
186	101	Far East Res. 10p	130	.....	—	—	—	—
75	55	Gardner (J.) 5p	73	.....	R1.25	2.3	2.3	25.3
34	29	Honorbilt 5p	32	.....	—	—	—	26.9
87	68	Lynx Tech. 5p	70	.....	b—	—	—	8.0
82	17	Publishing Hldgs.5p	63	.....	—	—	—	36.5
7650	45½	Theme Holdings	76	−1	1.0	1.9	1.8	40.8
153	140	UPL Group 10p	140	.....	L2.41	2.8	2.4	—
140	111	Unit Group	140#	.....	R4.6	2.5	4.5	10.0

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 27 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- ♣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 535(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Annualised dividend. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1986-87. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1986. K Dividend and yield based on prospectus or other official estimates for 1987-88. L Estimated annualised dividend, cover and p/e based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1987. P Figures based on prospectus or other official estimates for 1987. Q Gross. R Forecast annualised dividend, cover and p/e based on prospectus or other official estimates. T Figures assumed. W Pro forma figures. Z Dividend total to date.
Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Stock	Price	+ or —	Stock	Price	+ or —
Albany Inv 20p	95	.....	Fin. 13% 97/02	£105¾xd	.....
Craig & Rose £1	638	.....	Arnotts	380	.....
Finlay Pkg. 5p	112	+1	CPI Hldgs	95	.....
Holt (Jos) 25p	1005	.....	Carrol Inds.	175	.....
IoM Stm. £1	173	.....	Dublin Gas	17	−3
			Hall (R. & H.)	130	.....
IRISH			Heiton Hldgs.	58xd	+3
Fund 11¼% 1988	£100⅛	.....	Irish Ropes	215	.....
Nat. 9¼% 84/89	£97⅛	+⅛	Unidare	430xd	.....

TRADITIONAL OPTIONS

3-month call rates

Industrials	p		p
Allied-Lyons	40	NEI	13
Amstrad	19	Nat West Bk	65
BAT	62	P & O Dfd	65
BOC Grp	50	Plessey	28
BSR	17	Polly Peck	34
BTR	36	Racal Elect	32
Babcock	32	RHM	35
Barclays	52	Rank Org Ord	70
Beecham	52	Reed Intnl	50
Blue Circle	50	STC	30
Boots	30	Sears	16
Bowaters	50	TI	37
Brit Aerospace	50	TSB	12
Brit. Telecom	28	Tesco	18
Burton Ord	32	Thorn EMI	65
Cadburys	25	Trust Houses	25
Charter Cons.	45	Turner Newall	26
Comm Union	34	Unilever	62
Courtaulds	45	Vickers	20
FNFC	32	Wellcome	42
Gen Accident	95		
GEC	22	**Property**	
Glaxo	200	Brit Land	30
Grand Met	50	Land Securities	50
GUS 'A'	125	MEPC	48
Guardian	95	Peachey	40
GKN	38	**Oils**	
Hanson Tst.	17	Brit Petroleum	32
Hawker Sidd	58	Britoil	38
ICI	125	Burmah Oil	52
Jagua.	52	Charterhall	10
Ladbroke	45	Premier	11
Legal & Gen	32	Shell	125
Lex Service	45	Tricentrol	11
Lloyds Bank	35	Ultramar	26
Lucas Inds	75	**Mines**	
Marks & Spencer	22	Cons Gold	125
Midland Bk	45	Lonrho	28
Morgan Grenfell	55	Rio T Zinc	100

A selection of Options traded is given on the London Stock Exchange Report Page.

LONDON STOCK EXCHANGE

Chancellor's comments lift bonds but equities slip on overseas influences

Account Dealing Dates

*First Dealings	Option Declarations	Last Dealings	Account Day
Aug 24	Sept 10	Sept 11	Sept 21
Sept 14	Sept 24	Sept 25	Oct 5
Sept 28	Oct 8	Oct 9	Oct 19

* New time dealings may take place from 9.00 am two business days earlier.

UK security markets moved in sharp contrast yesterday. Government bonds were revitalised as short-term interest rates fell back from the recent high levels, which had provoked fears of still higher base lending rates, but leading shares finished the session lower. Illusrating the diverse trends, the *FT Government Securities index* rose 0.68 to 85.66 while the FT-SE 100 share index fell 23.3 to 2249.5.

Both main investment areas had languished initially but the Gilt-edged sector, along with other financial markets, received a tonic through remarks made by the Chancellor of the Exchequer. *He said in an afternoon radio* interview that last month's one percentage point rise in base rates to 10 per cent was sufficient and had been vindicated by subseqent news about the economy.

In money markets, the key three-month interbank rate dropped to 10 7/16 per cent, sterling retained its strength and the bullish theme immediately pervaded Gilt futures which, in turn, drove the cash market higher. The authorities were soonable to reactivate the short tap, Treasury 9 per cent 1991, selling stck at 92.24—effectively a ¾-point cut on the last operational price. The offer was then withdrawn.

Inter-market dealing was again considerable as traders covered *short book positions* but domestic retail interest also improved on recent levels, although investors were operating on both the buying and selling tack. Prices eventually eased from the best, this co-inciding with a fall in activity, and late in the session the gains were more markedly reduced. However, the average yield on the longest dated stocks slipped to under 10 per cent. Last month's modest fall in *UK official* reserves was deemed of little importance.

Leading shares successfully negotiated Wall Street's eleventh-hour plunge on Tuesday only to fall prey to Japanese influences. Reports, later confirmed, that chemicals manufacturer Tateho has suffered heavy losses in Japanese bond futures, bringing about the company's demise, directed attention to the recent shift downwards in the Tokyo market. Many groups, both financial and industrial, run large trading positions and it is feared that the downturn could have a knock-on effect, exposing further corporate losses. Japanese stocks in London moved lower yesterday, partly on dsappointment with the latest 20-year bond pricing details.

Exchange rate influences were *also a deterrent to overseas* demand. A leading marketmaker found little difficulty in placing several lines of stock, comprising mainly blue chip industrials; the house concerned stressed that the deal was not a programme trade.

The market became more nervous when Wall Street resumed on *a weak note* and, although New York rallied later, London was not impressed.

BAT Industries, which has interests ranging from tobacco to financial services, rose strongly before closing only 3 up on balance at 652p on interim figures well above market expectations. Some 6.6m shares changed hands.

Profits of £699m easily exceeded best market estimates and justified Kleinwort Grieveson's recent strong "buy" recommendation. Early last month sector analyst Paul Burke advised clients that the shares were undervalued and due for a re-rating.

Since then market sentiment in BAT has been helped by favourable product liability rulings to the US tobacco industry.

Rugby Portland Cement provided the Building sector's outstanding movement, rising 12½ to 268½p on the announcement that the company had sold its minority interest in *RC Cement Incorporated* for $35.7m; RC is the holding company of River Cementaton, Hercules Cement, and Signa Mountain Cement, which operate cement plants in Missouri, Pennsylvania and Tennessee. The proceeds of the disposal will be used in Rugby's ongoing expansion programme and to reduce borrowings.

Ladbroke came under selling pressure and fell 8 to 435p following suggestions that the company's intimated interest in acquiring both the Hilton Hotel *chain* and the Del Mar racetrack could prove a big initial drain on resources.

Only 17 months after going public, film and lighting group **Lee International** intends a return to private ownership. The move follows the acquisition of US camera manufacturer Panavision for $100m (£61m). Lee is forming a new company, Westward Communications, which will make a recommended offer to acquire the share capital of Lee; the offer values the group at £198m. The terms are 360p free of expenses or one ordinary share in Westward for each Lee share, which rose sharply yesterday to close 68 higher at 338p.

The financial sector was dominated by insurances, where composites included outstanding features in **Royals** and **Sun Alliance**. **Royals** finally a penny up at 552p, after 559p, enjoyed a turnover of 10m although a fair slice of that was taken up by substantial inter-dealer business. But at least 1m shares were snapped up by the same source that has recently been building up a lare shareholding. Adelaide Steamship, controlled by John Spalvins, was again mentioned as the likely source of the buying. Sun Alliance held pride of place in the sector as the group's *interim* pre-tax profits—more than doubled at £104.4m—came out some £10m above the most optimistic forecasts; the shares spurted to £10 7/16 before closing a net 11/32 up at £10¼, after a turnover of 1.7m shares. Guardian Royal's interim profits, at £82.2m, although well up on last time, were considerably below the top end of the range—one leading broker was going for £95m—and *GRE shares ran back 13½ to 999p.*

Life assurances moved ahead across the board reflecting a press *suggestion that a number of* takeover bids in the sector could be about to develop. **Equity & Law** leapt *14 to* 349p and **Prudential** 6 to £10 3/16. An erratic session in the clearing banks saw the big four close with minor falls—**Lloyds** dipped 5 to 355p and **Barclays** 4 to 565p—but **Standard Chartered** moved up 7 to 812p following rumours that Sir Yue Kong Pao *may be about to sell his near* 15 per cent stake in the bank to a possible predator.

Merchant banks showed **Morgan Grenfold** 13 lower at 532p ahead of today's interim figures—BZW are going for £41m pre-tax and Savory Milln £40m in a general range of £38m to £43m. Peel Holdings' acquisition of a 5.94 per cent stake saw **Leopold Joseph** jump 15 to 530p. Discount houses were given a strong boost by news that Ron Brierley's IEP has increased its stake in **Union Discount** to 17.2 per cent, or 2.15m shares. Unions jumped 35 to 970p, **Gerrard & National** 17 to 385p and **Cater Allen** 10 to 410p. Elsewhere, **Rea Brothers** settled 3 up at 153p after the interim results.

Housebuilders **Wilson (Connolly)** revealed interim profits a *shade above market estimates and* the price responded with an improvement of 3 at 377p. **Persimmon** encountered aggressive demand in a restricted market and gained 18 to 557p, while **Bellway** put on 12 to 274p reflecting revived speculative buying.

Storehouse continued to lose ground in the absence of any takeover news and the shares dipped 9 to 380p. **WH Smith 'A'**, a *strong market on Tuesday after* Kleinwort Grieveson upgraded their profits forecast by £4m to £76m, turned *easier to* close 19 lower at 394p. **Dixons** added 3 more to 347p, *still* helped by the recent "buy" recommendation from Wood Mackenzie. **Ward White** jumped 12 to 401p, after 404p.

Leading electricals were generally easier across the board but **Ferranti**, boosted by good demand from BZW, moved up 8 to 127p. *United Scientific, helped by* publicity given to a buy circular from securities house Flemings, jumped 12 to 277p.

British Telecom drifted back 4½ to 266½p after a turnover of 6.1m shares.

Hawker, down 11 at 602p, reacted in the absence of fresh US support. Elsewhere *in* the Engineering sector, **Rolls-Royce** were actively traded (some 8.4m shares changed hands) before settling a shade lower on the day at 111p; the interim figures are scheduled to be announced on September 10. **TI Group** resisted the downward trend, improving a couple of pence more to 436p, while **IMI**, half-year results due next Tuesday, hardened 2½ to 261½p.

Cadbury Schweppes enjoyed a *lively two-way business in front of* today's interim results and closed a penny cheaper at 270p; market makers are looking for profits of around £63m for the half-year. Persistent demand, reportedly from one source, boosted **Northern Foods** 5 to 294p, but profit-taking in the wake of the excellent interim results saw **Hillsdown** ease to 320p before the eventual close of 324p, up a penny on *balance.*

International stocks turned down in the face of the overnight reaction on Wall Street with **Glaxo** falling ¼ to £17 and **Beecham** 10 to 531p.

Elsewhere in the industrial sector, **Cookson** still responding to Press mention, firmed 7 further to 815p. **Avon Rubber**, helped by news of the contract from the Ministry of Defence to supply Avon NBC S10 general service respirators to all branches of the *services, improved 9 to 788p.* Recent high-flyer **Highgate and Job** came into prominence with a rise of 20 at 715p, while renewed demand for USM quoted **High-Point Services** prompted a further gain of 11 at 445p. **Black Arrow**, reflecting the bullish tenor of the chairman's statement at the annual meeting, firmed a few pence to 385p. **Phillip Harris** edged up a couple of pence to 320p after the proposed one-for-one scrip issue and rights issue to raise £1.6m; the company intends to seek out suitable acquisitions which either strengthen the group's existing operations or offer opportunities to diversify into new areas which are related to its core businesses. **Williams Holdings** closed 5 *dearer* at 927p following satisfactory interim figures and the proposed two-for-one scrip issue. In contrast, **Wellcome** fell 16 to 453p in a relatively small volume of business, while **Bridon**, bought recently on bid hopes, reacted 7 to 202p.

Passenger and commercial vehicle dealers **H. & J. Quick** moved up sharply following excellent half-year figures to close 47 higher at 358p.

William Collins fell 17 to 908p and the "A" shares 22 to 753p in the wake of the company's acquisition of a 50 per cent *interest in Harper and Row of the* US for approximately £95m.

The deal is to be financed by way of a rights issue in Ordinary and "A" shares to raise around £113m net. Harper and Row is a book publisher with headquarters in New York City.

Bunzl, despite announcing a sharp rise in the half-year profits, encountered selling and gave up 21 to 239p.

Land Securities, sought after on Tuesday reflecting renewed bid *speculation, drifted back on light* profit-taking to close 12 easier at 545p. **Great Portland Estates**, on the other hand, came in for sustained support on takeover hopes *and rose 14 to* 321p. **Slough Estates** hardened a penny to 278p following interim profits broadly in line *with market estimates*, but recent favourite **Hammerson "A"** slipped 10 to 640p. **Regalian** continued *to attract buyers in the wake of the* sale of its Thamesside office development to Pearson for *£74.4m and closed higher at 271p.* **Mountleigh** encountered scrappy selling and dipped 15 to 255p, but recently oversold **Parkdale** rebounded 6 to 196p.

Oil and gas issues turned easier after the recent sharp gains in the sector. The widespread declines followed a flurry of profit-taking triggered by the setback on Wall Street, and lack of follow-through in crude oil prices which ended the day little changed on balance *having been around 15 cents a* barrel higher at one point.

In the leaders **British Gas** slipped 3 to 170p on a turnover of 8.2m shares, *BP were down 7½ at* 367½p after 5.4m shares had changed hands and **Britoil** lost 12½ to 323½p, with 3.3m shares turned over. Recently buoyant **Enterprise** dropped 13 to 302p and **LASMO** fell 5 to 363p.

The latest weakness in the dollar, the recently settled black mineworkers' strike and another firm showing by the bullion price gave a sharp fillip to gold mines. Buying interest in the sector came mainly from the Continent—West German funds were said to be good buyers of golds—and the Gold Mines index raced up 6.7 *more to 444.9.*

Financials showed **Consgold** a strong market again and up 3/16 more to £14 5/16 as dealers awaited the company's response to the T. Boone Pickens-led bid for Consgold's 26 per cent owned Newmont Mining. A statement from Consgold is expected before the weekend; full-year figures from the company are scheduled for September 15. **RTZ** also made *further progress and moved up ⅛* to £12¾; BZW has revised its interim profits forecast for the company up to £110m. RTZ's figures are due on September 16.

Traded Options

Activity in traded options picked up considerably on Tuesday's level—when business was at its thinnest this year. Calls amounted to 20,710 contracts and puts to 12,300 contracts giving an aggregate of 33,010 contracts.

Traditional Options

- **First dealings Sept 1**
- **Last dealings Sept 18**
- **Last declaration Dec 3**
- **For Settlement Dec 14**

For rate indications see end of London Share Service

Stocks dealt in for the call included **Amstrad, NMW Computers, Central Securities, Helical Bar, Dares Estates, Greenwich Resources, Belhaven, Amber Day, Bula Resources, Apricot, Stormguard,** and **Rotaprint**. A put was arranged in **Helical Bar**, while double options were transacted in **LWT** and **Norfolk Capital**.

FINANCIAL TIMES STOCK INDICES

	Sep. 2	Sep. 1	Aug. 28	Aug. 27	Aug. 26	Year ago	1987 High	1987 Low	Since Compilation High	Since Compilation Low
Government Secs	85.66	†84.98	85.05	84.96	84.94	89.60	93.32 (8/5)	84.49 (6/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Interest	92.24	92.02	92.58	92.77	92.77	92.25	99.12 (15/6)	90.23 (2/1)	105.4 (28/11/47)	50.53 (3/1/75)
Ordinary ♥	1763.2	1778.9	1759.8	1755.1	17.58.2	1320.0	1,926.2 (16/7)	1,320.2 (2/1)	1,926.2 (16/7/87)	49.4 (26/6/40)
Gold Mines	444.9	438.2	431.5	435.6	4531.2	268.0	497.5	288.2	734.7	43.5
Ord. Div. Yield	3.28	3.25	3.28	3.28	3.28	4.18				
Earnings Yld.%(full)	8.06	7.99	8.06	8.05	8.04	9.62				
P/E Ratio (net) (*)	15.25	15.38	15.24	15.26	15.28	12.77				
SEAQ Bargains (5 pm)	29,106	29,790	28,350	30,014	33,470	—				
Equity Turnover (£m)	—	—	754.42	224.82	955.41	520.22				
Equity Bargains	—	—	31,421	36,917	36,758	22,981				
Shares Traded (ml)	—	—	333.4	432.3	403.3	237.5				

S.E. ACTIVITY

Indices	Sep. 1	Aug. 28
Gilt Edged Bargains	—	98.9
Equity Bargains	—	203.6
Equity Value	—	1524.9
5-Day Average		
Gilt Edged Bargains	—	105.6
Equity Bargains	—	248.5
Equity Value	—	2040.9

♥ Opening 1780.2 | 10 a.m. 1772.3 | 11 a.m. 1769.2 | Noon 1767.7 | 1 p.m. 1765.5 | 2 p.m. 1770.0 | 3 p.m. 1766.0 | 4 p.m. 1762.3

Day's High 1781.7 Day's Low 1761.9. Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold Mines 12/9/55, SE Activity 1974, *NIl=14.99

LONDON REPORT AND LATEST SHARE INDEX: TEL. 01-246 8026

(†Corrected figure 85.33)

NEW HIGHS AND LOWS FOR 1987

NEW HIGHS (53)

AMERICANS (1), CANADIANS (2), BANKS (1), BUILDINGS (1), CHEMICALS (1), STORES (1), ELECTRICALS (1), ENGINEERING (6), FOODS (1), HOTELS (1), INDUSTRIALS (12), INSURANCE (1), LEISURE (3), MOTORS (1), PAPERS (1), PROPERTY (2), TEXTILES (1), TRUSTS (11), OILS (1), MINES (4).

NEW LOWS (6)

LOANS (2), N'wide 11¾pc 26.10.87, Do. 11½pc 23.11.87, BANKS (1), MCorp, ELECTRICALS (1), Mitel Corp., ENGINEERING (1), Airship Inds., MINES (1), Musto Expln.

TRADING VOLUME IN MAJOR STOCKS

The following is based on trading volume for Alpha securities dealt through the SEAQ system yesterday until 5 pm.

Stock	Volume 000's	Closing price	Day's change	Stock	Volume 000's	Closing price	Day's change
ASDA-MFI	1,400	198	−3	Ladbroke	2,013	435	−8
Allied Lyons	1,600	415	−2	Land Securities	498	545	−12
Amstrad	4,000	171	−6	Legal & Gen.	1,200	319	+4
Argyll Group	1,000	426	−3	Lloyds Bank	1,600	353	−7
Assoc. Brit. Foods	76	347	−3	Lonrho	1,880	299½	−1
BAT	6,600	652	+3	Lucas	481	722	−5
BET	2,800	277	−1	MEPC	348	525	−7
BICC	469	384	+2	Marks & Spencer	3,700	234	−2
BOC	741	536	−3	Midland Bank	457	452	−1
BPB Inds	1,100	372	−4	Natwest Bank	851	738	−5
BPCC	2,200	376	−5	Next	332	320	−6
BTR	1,800	337	−1	Pearson	255	753	−2
Barclays	1,100	565	−4	P & O	267	696	−4
Bass	330	929	+4	Pilkington Bros	1,800	292	−8
Beecham	2,700	531	−10	Plessey	8,200	185	−7
Blue Circle	719	480	−3	Prudential	324	£10 3/16	+1/16
Boots	1,000	308	−3	Racal	2,400	304	−5
Brit. Airways	1,600	192	−5	Rank Org.	211	685	−6
Brit. Aero	278	500	−5	RHM	303	327	−1
Brit. & Comm.	850	487½	+½	Reckitt & Col	109	£11⅛	−⅛
British Gas	8,200	170	−3	Redland	388	516	−1
Britoil	3,200	323½	−12½	Reed Intl.	1,400	519	+9
BP	5,200	367½	−7½	Reuters	476	862	−7
Brit. Telecom	6,100	266½	−4½	RMC	234	485	−8
Bunzl	5,600	239	−21	RTZ	941	£12¾	+⅛
Burton	1,800	290	−6	Rolls-Royce	8,400	111	−1½
Cable & Wire	8,400	430	−6	Rowntree	188	567	−4
Cadbury Schwps	4,600	270	−1	Ryl Bank Scotland	1,100	384	−5
Coats Viyella	926	353½	−1½	Royal Insurance	10,000	552	−1
Comm. Union	1,900	357	−4	STC	436	288	−1
Cons. Gold	1,200	£14 5/16	+3/16	Saatchi & Saatchi	245	661	−8
Cookson	389	815	+7	Sainsbury	399	254	−2
Courtaulds	601	463½	−2½	Scott & Newcastle	2,400	253	+4
Dee Corpn	3,600	230	—	Sears	2,700	163½	—
Dixons Group	3,200	347	+3	Sedgwick	537	300	−5
English China Clays	316	477	−4	Shell Trans	2,900	£13¼	−¼
Fisons	1,600	354	−10	Smith & Nephew	1,000	170½	−3
Gen. Accident	926	£10 3/16	−1/16	Standard Chart	1,000	812	+7
Gen. Elect	1,500	207	−5	Storehouse	3,000	380	−9
Glaxo	1,000	£17	−¼	Sun Alliance	1,700	£10¼	+11/32
Globe Investment	257	178¼	−1	TSB	644	132	—
Granada	1,200	325	+2	Tarmac	1,600	284	−6
Grand Met	1,600	535	+1	Tesco	1,300	186	−1
GUS "A"	93	£12⅞	−⅛	Thorn EMI	1,200	660	−2
Guardian R.E.	1,300	999	−13½	Trafalgar House	3,100	359	−4
GKN	549	391	−1½	T'house Forte	2,300	247	+1
Guinness	1,600	352	−2	Ultramar	1,500	270	−8
Hammerson	245	640	−10	Unigate	337	389	−2
Hanson Trust	5,000	187	−2	Unilever	1,700	626	−10
Hawker Sidd.	1,200	602	−11	United Biscuits	1,600	317	−4
Hillsdown Hldgs	3,500	324	+1	Wellcome	1,100	453	−16
ICI	1,200	£15⅜	−⅛	Whitbread "A"	623	337	−2
Jaguar	1,300	544	−11	Woolworth	1,500	351	+2

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	113	0	0
Corporations, Dominion and Foreign Bonds	26	1	29
Industrials	326	558	696
Financial and Properties	87	235	287
Oils	17	52	46
Plantations	0	2	12
Mines	74	30	86
Others	35	134	89
Totals	678	1,012	1,245

FT-ACTUARIES INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Figures in parentheses show number of stocks per section

	Wednesday September 2 1987: Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (ACT at 27%)	Est. P/E Ratio (Net)	xd adj. 1987 to date	Tue Sept 1 Index No.	Fri August 28 Index No.	Thur August 27 Index No.	Year ago (approx.) Index No.
1 CAPITAL GOODS (211)	948.72	−0.5	7.28	2.90	17.28	14.50	953.86	948.11	942.81	788.48
2 Building Materials (30)	1190.46	−1.0	7.48	2.89	16.65	17.82	1202.41	1181.18	1178.17	813.55
3 Contracting, Construction (33)	1705.21	—	7.08	2.83	18.98	20.05	1705.41	1709.02	1690.43	1252.75
4 Electricals (12)	2452.18	+0.3	5.77	3.05	22.34	41.07	2444.73	2431.18	2436.99	1913.85
5 Electronics (35)	1992.95	−1.3	8.08	2.50	16.14	33.73	2019.84	2016.55	1990.44	1521.06
6 Mechanical Engineering (59)	517.84	−0.3	7.77	3.26	16.20	8.99	519.27	518.81	515.36	399.70
8 Metals and Metal Forming (7)	563.87	+0.9	6.83	2.85	17.67	6.86	558.94	557.15	553.59	353.06
9 Motors (14)	382.80	−0.6	7.63	2.87	15.34	5.40	385.17	383.18	383.03	286.39
10 Other Industrial Materials (21)	1629.03	—	5.86	3.05	20.58	24.27	1629.51	1612.95	1615.36	1308.98
21 CONSUMER GROUP (183)	1294.25	−0.8	6.17	2.64	20.71	16.52	1304.86	1295.50	1294.57	953.85
22 Brewers and Distillers (22)	1156.43	—	8.10	3.09	15.62	15.79	1156.66	1154.94	1159.12	952.26
25 Food Manufacturing (24)	1002.74	−0.8	6.98	3.05	18.60	15.60	1010.70	1004.40	1002.41	715.86
26 Food Retailing (16)	2400.57	−0.6	6.02	2.41	22.13	36.46	2415.16	2401.45	2381.60	1963.67
27 Health and Household Goods (10)	2474.69	−1.8	4.12	1.62	28.32	16.41	2520.77	2498.06	2530.58	1565.93
29 Leisure (31)	1360.71	—	6.07	3.25	20.56	24.25	1360.76	1358.23	1367.22	937.59
31 Packaging & Paper (15)	679.35	−2.3	6.00	2.56	22.04	8.51	695.23	692.83	685.45	494.07
32 Publishing & Printing (13)	4586.49	+0.3	4.51	3.09	28.41	59.63	4574.50	4561.46	4496.40	2579.49
34 Stores (36)	1056.01	−1.0	6.70	2.75	20.27	13.30	1066.74	1051.30	1043.99	920.19
35 Textiles (16)	805.77	−0.3	7.69	2.78	15.08	11.83	808.54	801.59	805.31	538.91
40 OTHER GROUPS (89)	1123.25	−0.8	7.65	3.14	16.33	18.12	1132.07	1128.05	1129.15	793.82
41 Agencies (18)	1686.45	−0.7	4.05	1.42	32.55	14.64	1698.86	1693.10	1699.55	0.0
42 Chemicals (21)	1458.58	−0.6	6.74	3.13	18.16	31.40	1467.69	1456.69	1468.99	1008.80
43 Conglomerates (12)	1437.21	−0.8	7.22	3.27	15.84	20.26	1449.15	1444.41	1449.82	0.0
45 Shipping and Transport (12)	2245.70	−0.6	7.16	3.55	18.58	39.02	2258.88	2252.40	2242.39	1502.04
47 Telephone Networks (2)	1066.35	−1.6	9.51	3.79	14.03	18.98	1083.69	1083.05	1075.68	803.18
48 Miscellaneous (24)	1640.40	+0.1	8.45	2.71	14.19	21.14	1638.17	1631.75	1645.95	1093.35
49 INDUSTRIAL GROUP (483)	1173.13	−0.7	6.86	2.84	18.41	16.81	1181.80	1174.86	1173.10	858.15
51 Oil & Gas (17)	2227.11	−1.9	7.42	4.24	16.67	56.53	2270.46	2223.52	2227.72	1366.13
59 500 SHARE INDEX (500)	1262.61	−0.9	6.95	3.05	18.13	20.24	1274.21	1263.89	1262.63	901.92
61 FINANCIAL GROUP (118)	812.83	−0.4	—	3.73	—	16.87	815.74	807.92	802.38	623.39
62 Banks (8)	812.31	−0.7	16.43	4.79	8.04	25.65	817.68	814.08	813.23	688.80
65 Insurance (Life) (9)	1095.93	+0.6	—	3.90	—	21.09	1089.42	1070.44	1059.85	989.15
66 Insurance (Composite) (7)	617.17	+0.3	—	4.29	—	13.39	615.57	603.21	588.79	494.45
67 Insurance (Brokers) (8)	1240.06	−0.8	8.97	4.57	14.26	26.47	1250.50	1240.98	1245.84	1194.76
68 Merchant Banks (11)	491.10	−0.8	—	2.77	—	6.92	494.87	495.03	497.89	342.80
69 Property (47)	1244.29	−0.9	3.84	2.38	33.65	13.34	1255.42	1240.34	1228.34	780.20
70 Other Financial (28)	553.35	—	6.04	2.76	20.96	7.91	553.31	552.21	550.73	351.00
71 Investment Trusts (91)	1121.13	−1.3	—	2.16	—	13.02	1135.81	1133.57	1125.86	814.01
81 Mining Finance (2)	658.73	+1.1	5.12	2.52	22.42	6.79	651.28	633.85	625.17	283.82
91 Overseas Traders (10)	1180.94	−0.1	7.66	3.99	15.49	29.58	1182.38	1182.51	1174.29	652.49
99 ALL-SHARE INDEX (722)	1147.04	−0.8	—	3.12	—	19.00	1156.31	1146.69	1143.98	821.94

	Index No.	Day's Change	Day's High	Day's Low	Sept 1	August 28	August 27	August 26	August 25	Year ago
FT-SE 100 SHARE INDEX ‡	2249.5	−23.3	2276.4	2249.1	2272.8	2249.7	2245.8	2249.6	2248.1	1667.8

FIXED INTEREST

PRICE INDICES	Weds Sept 2	Day's change %	Tues Sept 1	xd adj. today	xd adj. 1987 to date
British Government					
1 5 years	120.62	+0.23	120.34	—	7.48
2 5-15 years	134.02	+0.35	133.55	—	9.66
3 Over 15 years	142.08	+0.14	141.87	—	9.16
4 Irredeemables	155.47	+0.46	154.76	—	8.61
5 All stocks	131.89	+0.28	131.52	—	8.90
Index-Linked					
6 5 years	119.86	+0.12	119.71	—	2.18
7 Over 5 years	113.12	+0.08	113.04	—	2.48
8 All stocks	113.51	+0.08	113.42	—	2.37
9 Debentures & Loans	114.36	+0.37	113.94	—	6.93
10 Preference	84.44	−0.03	84.47	—	3.80

AVERAGE GROSS REDEMPTION YIELDS	Weds Sept 2	Tues Sept 1	Year ago (approx.)
British Government			
1 Low Coupons 5 years	9.55	9.62	8.30
2 15 years	9.84	9.90	9.13
3 25 years	9.69	9.78	9.15
4 Medium Coupons 5 years	10.36	10.44	9.46
5 15 years	10.11	10.14	9.43
6 25 years	9.91	9.92	9.34
7 High Coupons 5 years	10.42	10.50	9.55
8 15 years	10.30	10.33	9.58
9 25 years	9.93	9.95	9.45
10 Irredeemables †	9.88	9.85	9.17
Index-Linked			
11 Inflat'n rate 5% 5 yrs	3.32	3.35	3.47
12 Inflat'n rate 5% Over 5 yrs	3.98	3.98	3.47
13 Inflat'n rate 10% 5 yrs	3.23	3.25	2.19
14 Inflat'n rate 10% Over 5 yrs	3.97	3.97	3.31
15 Debs & Loans 5 years	11.37	11.42	10.13
16 15 years	11.36	11.41	10.31
17 25 years	11.36	11.41	10.34
18 Preference †	10.84	10.83	10.82

‡Opening index 2274.4; 10 am 2263.2; 11 am 2259.6; Noon 2256.9; 1 pm 2255.4; 2 pm 2262.2; 3 pm 2255.8; 3.30 pm 2257.3; 4 pm 2249.3

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London EC4P 4BY, price 15p, by post 32p.

CONSTITUENT CHANGES: Babcock International (6) and Stewart Wrightson (67) have been deleted. V.P.I. (41) has been inserted.

NAME CHANGES: Marlborough Technical Management (42) has become M.T.M. Lee Cooper (35) has become Vivat Holdings.

LONDON TRADED OPTIONS

Option		Calls Oct.	Calls Jan.	Calls Apr.	Puts Oct.	Puts Jan.	Puts Apr.
Allied Lyons (*414)	390	37	47	60	9	14	18
	420	18	30	43	22	28	35
	460	6	17	27	52	57	60
Brit. & Comm. (*489)	460	48	65	78	12	18	22
	500	25	42	55	23	32	38
	550	7	20	32	63	68	70
[illegible]							

Option		Calls Nov.	Calls Feb.	Calls May	Puts Nov.	Puts Feb.	Puts May
Guinness (*352)	330	37	48	55	9	17	20
	360	19	30	37	22	35	33
	390	9	20	—	43	47	—
Ladbroke (*434)	420	—	47	57	—	23	28
	443	20	—	—	28	—	—
	460	13	28	38	40	45	50
[illegible]							

September 2 Total Contracts 33,010. Calls 20,710. Puts 12,300. FT-SE Index Calls [illegible] Puts [illegible]. *Underlying security price.

LONDON RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

Renunciation date usually last day for dealing free of stamp duty. a Annualised dividend. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. F Dividend and yield based on prospectus or other official estimates for 1986/7. H Dividend and Yield based on prospectus or other official estimates for 1987. L Estimated annualised dividend, cover and p/e based on latest annual earnings. q Earnings based on preliminary figures. R Forecast annualised dividend, cover and p/e ratio based on prospectus or other official estimates. W Pro Forma Figures t Indicated dividends; cover relates to previous dividend; p/e ratio based on latest annual earnings. u Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. § Issued by tender. ‖ Offered holders of ordinary shares as a "rights." ‖‖ Introduction. ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or takeover. ■ Allotment price. ╪ Unlisted securities market. †† Official London listing. ‡‡ Including warrants entitlement. ‡ Placing and offer for sale price. * Third Market. †Issued in £2 Units comprising 2 Ord Shares & 1 Warrant. (Exerciseable at 50p into 1 Ord.)

WORLD STOCK MARKETS

AUSTRIA

Sep. 2	Price Sch%	+ or −
Creditanstalt	2125.00	+10
Goesser	3090.00	......
Interunfall	12,300.00	−30
Jungbunzlauer	8680	−30
Laenderbank	1950.00	+20
Perlmooser	725.00	+23
Steyr-Daimler	123.00	+1
Veitscher Mag	814.00	−1

BELGIUM/LUXEMBOURG

Sep. 2	Price Frs.	+ or −
B.B.L.	3330	......
Banque Gen. Du L.	14875	......
Bank Int. A	14300	......
Bekaert B	12150	+50
Ciment CBR	6310	−40
Cockerill	179	......
Colruyt	11800	+50
Delhaize	4550	......
EBES	5000	−10
Fabrique Nat	1500	−5
GB Inno BM	1372	......
GBL (Brux) L	4350	......
Generale Bank	6500	−30
Gevaert	8300	......
Hoboken	8650	−50
Intercom	4060	+20
Kredietbank	4690	−40
Pan Holdings	13400	......
Petrofina	14025	+25
Raffinerie Tirle	1800	−5
Royale Belge	6260	+50
Soc Gen Belge	3850.00	−100
Sofina	15275	−225
Solvay	14650	−25
Stanwick Intl.	550	......
Tractebel	8020	−80
UCB	10975	−50
Wagons Lits	5720	−20

DENMARK

Sep. 2	Price Kr %	+ or −
Baltica Skand	1080.00	−20
Cop Handelsbank	283.00	−2
D. Sukkerfab	316.00	−4
Den Danske Bank	369	−4
East Asiatic	207.00	−6
Forenede Bryggeri	980	−20
GNT Holding	246.00	+3
I.S.S.B. Systems	865.00	......
Jyske Bank	525	−5
Novo Inds.*	221.00	−1
Privatbanken	283.00	−2
Sophus Berendsen	985.00	−15
Superfos	238.00	−2

FINLAND

Sep. 2	Price Mka	+ or −
Amer	246.5	−6.5
KOP	53.25	+0.25
Kone	242	+4
Finnish Sugar	85.25	......
Kymmene	139.5	−1.5
Nokia	229.5	−4.5
Pohjola 'B'	113.5	−1
Rauma-Repola	37.9	−1.5
Stockmann 'B'	271.5	+1
UBF 'C'	35.05	+0.7
Utd. Paper	152	−6
Wartsila (s11)	245.5	......

FRANCE

Sep. 2	Price Frs.	+ or −
Emprunt 4½% '73	1864	+9
Emprunt 7% 1973	9045	+35
Accor	508.00	+8
Agence Havas	557.00	+5
Air Liquide	696	−4
Alcatel	2460	−57
BIC	768	......
BNP (Cert. Inv.)	540	−3
Bongrain	2950	......
Bouygues	1240	+10
BSN Gervais	5250	−30
Carrefour	3542	−18
Club Mediterranee	661.00	−7
Cie Bancaire	757	+1
Coflmeg	335	+5
CGE	338.00	−3
Damart	3235	−65
Darty	496	+11
Dumez S.A.	1140	−28
Eaux (Cie Gen)	1334	−16
Elf-Aquitaine	379.00	−1
Essilor	3930	+20
Gen. Occidentale	1099	−13
Imetal	184.00	−2.5
Lafarge Coppee	1695	......
L'Oreal	3910	−29
Legrand	2980.00	+70
Maisons Phenix	61	+4
Matra S.A.	2235	+40
Michelin B	341	−3
Midi (Cie)	1379	−31
Moet-Hennessy	2900	−8
Moulinex	76	......
Nord Est	167.80	+2.2
Paribas	436.00	−2
Pernod Ricard	1000.00	+2
Perrier	912	−13
Petroles Fra	438	−11
Peugeot S.A.	1575	+5
Printemps Au	728	−18
Radiotech	1672	−27
Redoute	3350	+6
Roussel-Uclaf	1539	−22
St. Gobain	490.00	−4.8
Sefimeg	437	−2
Skis Rossignol	1210	......
Telemech Elect	3999	−18
Thomson (CSF)	1300	−8
Valeo	678.00	+13

GERMANY

Sep. 2	Price Dm.	+ or −
AEG	340.00	−4
Allianz Vers	2116.50	−3.5
BASF	339.10	−4.2
Bayer	358.50	−2.9
Bayer-Hypo	523.50	−1.5
Bayer-Verein	495.00	−6
BHF-Bank	485.00	−2
BMW	783.00	−2
Brown Boveri	348.00	−5
Commerzbank	307.00	−1.5
Cont'l Gummi	360.00	−8.5
Daimler-Benz	1129.00	−13
Degussa	535.00	−1.5
D'sche Babcock	234.50	−1.5
Deutsche Bank	707.00	−3
Dresdner Bank	368.00	......
Feldmuehle Nobel	331.00	−3.5
Henkel	585.00	−3
Hochtief	708.00	+5.5
Hoechst	329.80	−3.7
Hoesch Werke	132.00	−1
Holzmann (P)	440.00	−5
Horten	247.00	−0.5
Hussel	690.00	+2
Karstadt	566.00	+1
Kaufhof	515.50	−3.5
KHD	190.50	−1.5
Kloeckner Werke	145.00	......
Linde	759.50	−5.5
Lufthansa	184.00	−0.5
MAN	196.50	−1.5
Mannesmann	168.50	−5.5
Mercedes Hld.	984.00	−10
Metallgesell	355.00	−7
Muench Rueck	2100.00	+20
Nixdorf	842.00	−4.5
Porsche	1007.00	−12
Preussag	199.00	−1
Rhein West Elect	254.00	−2
Rosenthal	284.00	+3
Schering	610.00	−7.5
Siemens	656.50	−7
Thyssen	138.80	−1.5
Varta	384.00	−4
Veba	322.50	−0.8
V.E.W.	176.00	+0.5
Verein-West	463.00	......
Volkswagen	406.50	+2.2

ITALY

Sep. 2	Price Lire	+ or −
Banca Com'le	3040	+20
Bastogi-IRBS	440.00	−5
CIR	5445	+95
Credito Italiano	1980	+120
Fiat	10590	+10
Generali Assicur	125550	−250
Italcementi	106600	−300
La Rinascente	1060	......
Montedison	2385	+75
Olivetti	11500	−150
Pirelli Co	5730	+100
Pirelli Spa	4269	......
Saipem	3240	......
Snia BPD	3205	−45
Toro Assic	27950	+180

NETHERLANDS

Sep. 2	Price Fls.	+ or −
ACF Holding	62.50	−0.9
AEGON	89.30	−2.2
Ahold	104.20	−2.8
AKZO	170.50	−4.5
ABN	49.60	−1.3
AMEV	60.60	−0.8
AMRO	87.30	−1
Buehrmann-Tet	64.00	−0.7
Dordtsche Petroleum	242.00	−5
Elsevier Ndu	60.50	−0.5
Fokker	56.00	−0.5
Gist Brocades	46.50	−1.4
Heineken	184.50	−4.8
Hoogovens	47.60	−1.2
Hunter Douglas	62.10	−0.5
IHC Caland	21.60	−0.9
Int Mueller	67.00	−1.4
KLM	51.80	−0.7
KNP	166.20	−3.3
Nat Ned Cert	75.70	−1.7
Ned Mid Bank	170.00	−3
Ned Lloyd	178.50	−2
Oce Grinten	455.50	−5.5
Ommeren (Van)	35.80	−0.2
Pakhoed	85.30	−1.5
Philips	52.20	−0.3
Robeco	111.80	−1
Rodamco	142.20	......
Rolinco	106.20	−1.3
Rorento	52.10	......
Royal Dutch	271.00	−4.2
Unilever	199.90	−2.3
VMF Stork	29.00	−1.3
VNU	92.00	−1.3
Wessanen	88.80	−0.8
Wolters Samsom	125.00	−0.5

NORWAY

Sep. 2	Price Kroner	+ or −
Aker-Norcem	81.00	......
Bergen bank	217.50	+4
Bergesen B	390.00	−6
Christiania Bk	233.00	+1.5
Den Norsk Credit	184.50	+3.5
Elkem	141.00	+0.5
Hafslund	624.50	+7.5
Kosmos	147.50	−0.5
Kvaerner	270.00	+10
Norsk Data	251.00	−7
Norsk Hydro	252.50	−1.5
Orkla Borregaard	549.00	+14.5
Storebrand	424.00	+11

SPAIN

Sep. 2	Price Pts. %	+ or −
Banco Bilbao	1730.00	+34
Banco Central	140	......
Banco Exterior	500.00	......
Banco Hispano	686	+6
Banco Popular	1875.00	−20
Banco Santander	1280.00	......
Banco de Vizcaya	2001.00	+1
Banesto	1230.00	+55
Dragados	820.00	−15
Hidrola	109.70	......
Iberduero	149.20	+6.2
Petroleos	749.50	+5.5
Telefonica	228.70	−2.3

SWEDEN

Sep. 2	Price Kronor	+ or −
AGA (free)	214.00	+1
Alfa-Laval	335.00	−3
ASEA (Free)	429.00	+1
Astra B (Free)	255	......
Atlas Copco	198.00	−2
Beijer A Fria	213.00	......
Cardo (Free)	328.00	......
Cellulosa	328.00	+2
Electrolux B	325.00	+1
Ericsson	233.00	−3
Esselte	197.00	+1
Mo Och Domsjo	432.00	+7
Pharmacia	238.00	+5
Saab-Scania (free)	253.00	......
Sandvik	207.00	......
Skandia Ins	202.00	+1
Skanska Intl.	291.00	+6
Skan Enskilda	145.00	......
SKF	360.00	+1
St. Kopparbergs	388.00	+1
Svka Handelsbn	540.00	......
Swedish Match	111.00	−1
Volvo B (Free)	382.00	+4

SWITZERLAND

Sep. 2	Price Frs.	+ or −
Adia Intl.	13250	......
Alusuisse	860	−10
Bank Leu	4050	......
Brown Boveri	2900	−10
Ciba Geigy	3890	+20
do. (PtCts)	2735	−15
Credit Suisse	3360	+5
Elektrowatt	3875	......
Fischer (Geo.)	1660	−10
Hoff-Roche (Pt Cts)	145500	−3125
Hoff-Roche 1/10	14775	−50
Jacobs Suchard	9950	+25
Jelmoli	3825	−25
Landis & Gyr	1815	+5
Nestle	10850	+75
Oer-Buhrle	1710	−15
Pargesa Hldg	2450	+10
Pirelli	421	+1
Sandoz (Br)	15250	+250
Sandoz (PtCts)	2420	−5
Schindler (PtCts)	876	−4
Sika	775	......
Surveillance	6750	−25
Swissair	1430	+30
Swiss Bank	509	−2
Swiss Reinsce	18300	−50
Swiss Volksbk	2310	......
Union Bank	4975	......
Winterthur	6900	+50
Zurich Ins	7200	......

AUSTRALIA

Sep. 2	Price Aust$	+ or −
ACI Int.	4.45	+0.15
A.F.P.	3.90	......
Adelaide Steams	9.00	......
Amcor	6.00	+0.16
ANZ Group	5.40	......
Ampol Pet.	3.90	+0.05
Ariadne Aust.	2.95	−0.03
Ashton	3.65	−0.1
Aust Guarant	3.15	+0.05
Aust Nat Inds.	2.55	+0.15
Bell Group	10.20	+0.26
Bell Resources	5.48	−0.02
Bond Corp Hldgs	2.70	−0.05
Boral	6.88	+0.1
B'ville Copper	4.90	......
Brambles Inds.	12.10	+0.6
Bridge Oil	1.72	+0.02
BHP	10.20	......
BHP Gold	1.60	+0.02
Burns Philp	5.64	+0.04
CRA	10.40	+0.4
CSR	4.35	+0.11
Chase Corp	3.90	−0.05
Claremont Petro	1.07	−0.03
Coles Myer	8.80	+0.04
Comalco "A"	4.60	+0.1
Consolidated Pet	0.23	+0.01
Costain Aust	3.35	+0.15
Elders IXL	5.56	......
Energy Res	2.70	+0.05
Gen Prop Trust	3.40	......
Goodman Fielder	4.76	+0.01
Hardie (J.)	4.60	+0.05
Hartogen Energy	3.08	−0.02
ICI Aust.	5.50	+0.08
Industrial Equity	6.40	+0.2
Jimberlana (50cFP)	0.73	+0.01
Jones (David)	11.30	+0.1
Kia Ora Gold	1.05	......
Kidston Gold	8.10	+0.1
Lend Lease	17.50	......
MIM	3.63	+0.05
Mayne Nickless	6.30	−0.1
Nat. Aust. Bank	5.70	−0.08

AUSTRALIA (Continued)

Sep. 2	Price Aust$	+ or −
News	23.80	+0.5
Noranda Pacific	4.15	......
North Bkn Hill	4.30	+0.05
Oakbridge	0.54	−0.01
Pacific Dunlop	5.58	+0.08
Pancont'l	4.30	−0.1
Pioneer Conc	4.65	+0.15
Placer Pacific	3.85	......
Poseidon	6.66	+0.06
Queensland Coal	1.55	......
Santos	7.40	+0.1
Smith (H.)	5.00	......
Thos Natwide	6.30	+0.2
Tooth	8.40	+0.1
Vamgas	3.70	......
Western Mining	9.90	+0.26
Westpac	6.48	......
Woodside Petrol	2.30	......
Woolworths	3.55	+0.10
Wormald Intl	3.80	......

HONG KONG

Sep. 2	Price H.K.$	+ or −
Bank East Asia	32.25	−0.5
Cathy Pacific	8.05	+0.05
Cheung Kong	13.10	−0.1
China Light	26.70	−0.5
Evergo	0.92	−0.01
Hang Lung	18.10	+0.4
Hang Seng Bank	47.75	+0.25
Henderson Land	7.40	−0.1
Hong Kong China	20.80	−0.2
HK Electric	10.20	......
HK Land	8.10	−0.05
HK Shanghai Bank	11.00	......
HK Telephone	13.70	+0.3
Hutchison Wpa	14.30	−0.1
Indust Equity P	32.50	+2.9
Jardine Math	21.50	−0.3
New World Dev	14.80	−0.4
SHK Props	18.90	−0.2
Shell Elec. Mfg	2.40	+0.13
Swire Pac A	26.40	−0.2
TV-B	17.10	......
Wharf Hldgs	17.30	+7
Windsor Ind.	19.20	......
World Int Hldgs	4.87	+0.07

JAPAN

Sep. 2	Price Yen	+ or −
Ajinomoto	3460	−50
All Nippon Air	2160	−10
Alps Electric	2350	−70
Asahi Chemicals	1250	−40
Asahi Glass	2230	+50
Bank Tokyo	1630	−10
Bridgestone	1180	−30
Brother Inds.	680	−6
Canon	1040	−10
Casio Computers	1240	−10
Chugai Pharm	2200	−60
Daiei	1760	−20
Dai Ichi Kan Bank	3360	......
Dai Nippon Ink	884	−11
Dai Nippon Ptg	2080	−60
Daiwa House	2300	−20
Daiwa Sec	3120	......
Eisai	2320	−120
Fanuc	5850	−80
Fuji Bank	3230	−170
Fuji Film	4300	−100
Fujisawa	2390	−50
Fujitsu	1180	−40
Furukawa Elect	951	+1
Green Cross	3100	−30
Heiwa Real Est	2090	−60
Hitachi	1150	−30
Hitachi Credit	1660	−30
Honda	1550	−30
Indl Bank Japan	3980	−10
Ishikawajima Ha	689	+4
Isuzu Motors	432	......
Itoh (C)	743	+7
Ito Yokado	4110	−80
JAL	15800	+100
Jusco	1590	−30
Kajima	1850	+50
Kao Soap	2180	−20
Kawasaki Steel	318	−8
Kirin	2610	−20
Kobe Steel	305	......
Komatsu	700	−11
Konishiroku	832	−8
Kubota	633	−7
Kumagai	1090	+10
Kyoto Ceramic	5650	−230
Marubeni	525	−5
Marui	3380	+10
Mazda Motors	439	−1
Meiji Seika	1180	−30
MEI	2340	−30
M'bishi Bank	3170	−10
M'bishi Chem	1190	−40
M'bishi Corp	1220	......
M'bishi Elec	615	−11
M'bishi Estate	2680	......
MHI	633	−2
Mitsui Bank	2650	......
Mitsui Co.	790	−8
Mitsui Estate	2380	+60
Mitsui Toatsu	751	−36
Mitsukoshi	1790	+20
NGK Insulators	1020	−40
Nikko Sec.	2470	−90
Nippon Denso	1540	−10
Nippon Elect	1850	−40
Nippon Express	1230	+10
Nippon Gakki	1810	+10
Nippon Kogaku	1130	......
Nippon Kokan	325	−3
Nippon Oil	1410	−20

JAPAN (Continued)

Sep. 2	Price Yen	+ or −
Nippon Seiko	622	+2
Nippon Shimpan	1320	−10
Nippon Steel	354	−9
Nippon Suisan	679	+3
Nippon Yusen	591	+1
Nissan Motor	715	−795
Nisshin Flour	1450	+20
Nomura	4790	−10
Olympus	1150	−20
Onada Cement	818	−32
Orient Finance	1600	......
Orient Leasing	4000	−140
Pioneer	3880	−100
Ricoh	1270	−20
Sankyo	1990	−30
Sanwa Bank	2950	−10
Sanyo Elect	516	−18
Sapporo	2070	......
Sekisui House	2360	......
Seven-Eleven	7900	−200
Sharp	1180	−30
Shimizu Const.	1080	+50
Shionogi	1830	−30
Shiseido	2200	−50
Showa Denko	710	−29
Sony	4710	......
Sumitomo Bank	3990	+10
Sumitomo Chem	955	−45
Sumitomo Corp	1080	+30
Sumitomo Elect	1680	−30
Sumitomo Metal	255	−3
Sumitomo Tr. & Bk	4040	−60
Taisei Corp	1090	+20
Taisho Marine	1240	......
Taiyo Kobe Bank	1690	+30
Takeda	3410	−100
TDK	4700	−110
Teijin	942	−21
Toa Nenryo Kyo	2160	+40
Tokai Bank	2430	+40
Tokyo Marine	2300	+40
Tokyo Elect Pwr	6610	−110
Tokyo Gas	1130	......
Tokyu Corp	1920	+20
Toppan Print	1600	+20
Toray	880	−19
Toshiba Elect	645	−19
Toyo Seikan	2860	−10
Toyota Motor	1920	−10
UBE Inds	545	+1
Victor	2790	−60
Yamaha	950	......
Yamaichi Sec	2530	−20
Yamanouchi	4510	−130
Yamazaki	1640	−30
Yasuda Fire	1220	......

SINGAPORE

Sep. 2	Price $	+ or −
Boustead Hldgs	1.69	−0.26
Cerebos Pacific	6.95	−0.05
Cold Storage	5.35	+0.35
DBS	16.40	+0.1
Genting	7.35	+0.2
Haw Par Bros	6.50	+0.1
Hong Leong Fin.	4.50	+0.06
Inchcape Bhd	6.55	+0.25
Keppel Shipyard	4.12	+0.1
Malay Banking	7.80	......
Malayan Utd. Ind.	2.53	+0.09
Multi Purpose	0.69	−0.02
OCBC	10.40	......
OUB	5.45	......
Public Bank	2.77	+0.05
Sime Darby	3.36	−0.02
Singapore Air	14.50	+0.2
Singapore Press	10.50	+0.3
Straits Trading	5.65	+0.25
Tat Lee Bank	4.40	+0.06
UOB	7.70	+0.1

SOUTH AFRICA

Sep. 2	Price Rand	+ or −
Abercom	3.10	+0.05
AE & CI	16.25	......
Allied Tech.	170.00	......
Anglo Am Coal	37.00	......
Anglo Am Corp	92.00	−0.25
Anglo Am Gold	415.00	......
Barclays Bank	21.00	−0.25
Barlow Rand	27.90	−0.1
Buffels	80.00	+2
CNA Gallo	5.75	......
Currie Finance	5.30	......
De Beers	52.75	......
Driefontein	95.00	+1
Freegold	61.00	+1
Gold Fields SA	96.00	+1
Highveld Steel	7.60	......
Malcor Hldgs	27.75	......
Nedbank	7.65	+0.05
OK Bazaars	18.75	−0.25
Rembrandt	14.20	+0.2
Rust Plat	59.70	......
Safren	33.50	......
Sage Holdings	17.25	+0.25
SA Brewers	25.00	+0.25
Smith (C.G.)	46.50	......
Tongaat Hulett	15.75	......

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. # Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all. * Price in Kroner.

CANADA

TORONTO

Closing prices September 2

Sales	Stock	High	Low	Close	Chng
[illegible]					
2200	Cara	\$12½	12½	12½	−⅛
3310	Cara A f	\$12¼	12⅛	12¼	+⅛
250600	Carma A	36	34	35	
28500	Celanese	\$23⅛	23	23	−⅛
64700	CenFd A	\$9¼	9¼	9¼	+¼
100	Centrl Tr	\$22½	22⅛	22½	−½
100	Chieftan	\$13½	13½	13½	+⅛
200	CHUM B f	\$16½	16½	16½	+⅛
[illegible]					
12850	Ivaco A f	\$17	16⅝	16⅝	
27	Ivaco B	\$17⅛	17⅛	17⅛	
33550	Jannock	\$24⅜	23⅞	24⅛	−¼
4035	Kerr Add	\$29½	29¼	29½	+¼
1400	Kiena Gld	\$20⅛	19⅞	20⅛	+⅜
14260	Labatt	\$27⅛	26¾	27⅛	+⅛
64897	LL Lac	\$50¾	48¾	50½	+1⅞
87400	Lacana	\$23½	23⅛	23⅜	+⅜
[illegible]					
112783	Rogers B f	\$26½	26	26¼	+⅛
2600	Roman	\$17⅝	16⅞	17	−⅝
1534	Rothman	\$50¼	50	50	
395485	Royal Bnk	\$33¾	33⅜	33⅝	−⅛
17100	RyTrco A	\$16¾	16½	16¾	
110560	Royex	\$5⅜	5¼	5⅜	+¼
2440	SHL Syst	\$29¾	29½	29¾	+⅜
2223	StL CemA f	\$30½	30	30⅜	+⅛
[illegible]					

MONTREAL

Closing prices September 2

Sales	Stock	High	Low	Close	Chng
[illegible]					
21172	Provigo	\$11¾	11½	11⅝	−⅛
9580	Repap Entr	\$17	16⅝	16¾	
1650	RollandA	\$14	13¾	13¾	−¼
25133	Royal Bank	\$33⅝	33⅜	33⅜	−⅛
1750	SteinbrgA	\$40⅜	40¼	40¼	−½
11925	Videotron	\$15⅛	14¾	15	−¼

Total Sales 8,946,961 shares

Indices

NEW YORK-DOW JONES

	Sept 2	Sept 1	August 31	August 28	August 27	August 26	1986/87 High	1986/87 Low	Since Compilation High	Since Compilation Low
Industrials	2,602.84	2,610.97	2,662.95	2,639.35	2,675.06	2,701.85	2722.42 (25/8/87)	1927.31 (2/1)	2722.42 (25/8/87)	41.22 (2/7/32)
Transport	1,037.93	1,048.21	1,062.04	1,062.04	1,075.47	1,084.43	1101.16 (14/8)	816.36 (2/1)	1101.16 (14/8)	12.32 (8/7/32)
Utilities	203.86	204.54	205.01	205.81	207.66	208.45	227.83 (22/1/87)	191.39 (28/5)	227.83 (8/4/87)	10.5 (8/4/32)
Trading vol	−	194,670m	165,372m	158.33m	163.98m	198.19m	−	−	−	−

	August 28	August 21	August 14	Year Ago (Approx)
Ind Div Yield %	2.50	2.52	2.54	3.57

STANDARD AND POORS

	Sept 2	Sept 1	August 31	August 28	August 27	August 26	1987 High	1987 Low	Since Compilation High	Since Compilation Low
Industrials	376.33	378.26	386.83	382.45	387.28	390.91	393.17 (25/8)	274.58 (2/1/87)	393.17 (25/8)	3.62 (21/6/32)
Composite	321.68	323.40	329.79	327.04	331.38	334.57	336.77 (25/8)	246.45 (2/1/87)	336.77 (25/8)	4.40 (1/6/32)

	August 26	August 19	August 12	Year Ago (Approx)
Ind div yield %	2.22	2.25	2.33	2.98
Ind. P/E Ratio	24.10	23.89	23.92	18.82
Long Gov Bond Yield	8.83	8.93	8.86	7.71

N.Y.S.E. ALL COMMON

Sept 2	Sept 1	August 31	August 28	1987 High	1987 Low
180.12	181.21	184.45	182.89	187.99 (25/8)	141.01 (21/1)

RISES AND FALLS

	Sept 1	August 31	August 28
Issues traded	1,968	1,959	2,009
Rises	418	1,005	403
Falls	1,196	588	1,217
Unchanged	354	466	389

TORONTO

	Sept 2	Sept 1	August 31	August 28	1987 High	1987 Low
Metals & Minls	3,156.1	3,165.8	3,188.8	3,143.8	3,483.6 (4/8/87)	1,988.2 (2/1/86)
Composite	3,878.0	3,882.3	3,983.7	3,975.4	4,112.9 (13/8)	3,867.8 (2/1/86)
MONTREAL Portfolio	1,863.48	1,878.45	1,882.85	1,865.31	2,224.77 (18/7/87)	1,534.3 (2/1/85)

* Indicates pre-close figure

	Sep. 2	Sep. 1	Aug. 31	Aug. 28	1987 High	1987 Low
AUSTRALIA						
All Ord (1/1/80)	2179.6	2157.7	2150.2	2163.1	2179.6 (2/9)	1486.7 (2/2)
Metals & Minerals (1/1/80)	1369.5	1346.1	1346.1	1375.4	1459.3 (4/8)	729.1 (2/1)
AUSTRIA						
Credit Aktien (30/12/84)	215.04	213.60	214.30	213.03	230.60 (2/1)	182.21 (19/6)
BELGIUM						
Brussels SE (1/1/84)	5297.70	5311.60	5321.70	5339.55	5415.20 (13/8)	3987.86 (9/1)
DENMARK						
Copenhagen SE (3/1/83)	(u)	215.98	(u)	216.66	219.76 (27/8)	189.64 (6/1)
FINLAND						
Unitas General (1975)	616.3	621.8	620.5	617.0	627.9 (21/8)	425.2 (5/1)
FRANCE						
CAC General (31/12/82)	426.60	430.40	428.70	426.0	460.4 (26/3)	392.0 (2/1)
Ind Tendance (31/12/86)	110.70	110.90	111.00	110.40	117.2 (26/3)	97.8 (2/1)
GERMANY						
FAZ Aktien (31/12/58)	655.57	660.06	655.19	655.29	676.84 (6/1)	538.32 (19/3)
Commerzbank (1/12/53)	2019.10	2033.30	2015.90	2013.5	2061.10 (17/8)	1633.8 (19/3)
HONG KONG						
Hang Seng Bank (31/7/64)	3635.86	3644.28	(c)	3611.74	3644.28 (1/9)	2449.88 (20/1)
ITALY						
Banca Com. Ital (1972)	621.45	624.88	628.02	619.87	767.34 (30/4)	595.99 (25/8)
JAPAN**						
Nikkei (16/5/49)	25946.60	26118.42	26029.22	25974.96	26118.42 (1/9)	18544.0 (13/1)
Tokyo SE New (4/1/68)	2139.47	2153.20	2154.26	2157.48	2258.56 (11/6)	1557.46 (13/1)
NETHERLANDS						
ANP CBS Gen (1970)	314.50	318.50	318.00	321.20	334.10 (14/8)	257.7 (28/1)
ANP CBS Indust. (1970)	262.90	267.60	268.10	270.20	280.80 (11/8)	243.7 (28/1)
NORWAY						
Oslo SE (4/1/83)	540.22	537.66	535.83	532.63	540.22 (2/9)	361.98 (2/1)
SINGAPORE						
Straits Times (30/12/66)	1426.31	1404.55	1453.93	1482.70	1505.40 (26/8)	889.08 (2/1)
SOUTH AFRICA						
JSE Gold (28/9/78)	(u)	2359.0	2388.0	2325.0	2499.0 (3/8)	1786.0 (19/3)
JSE Indust (28/9/78)	(u)	2219.0	2209.0	2221.0	2226.0 (14/8)	1423.0 (2/1)
SPAIN						
Madrid SE (30/12/85)	314.76	313.51	312.96	308.82	314.76 (2/9)	202.89 (8/5)
SWEDEN						
Jacobson & P. (31/12/56)	3022.10	3013.20	3000.0	3034.20	3057.80 (24/8)	2111.39 (28/1)
SWITZERLAND						
Swiss Bank Ind. (31/12/58)	684.60	682.00	674.00	672.50	685.00 (14/8)	559.7 (25/2)
WORLD						
M.S.Capital Intl. (1/1/70)	(u)	492.2	494.7	493.30	495.90 (27/8)	361.3 (2/1)

**Saturday August 29: Japan Nikkei: 26048.17.

Base values of all indices are 100 except Brussels SE—1,000 JSE Gold—255.7 JSE Industrials—264.3 and Australia. All Ordinary and Metals—500; NYSE All Common—50; Standard and Poor's—10; and Toronto Composite and Metals—1000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ 400 Industrials plus 40 Utilities. 40 Financials and 20 transports. (c) Closed. (u) Unavailable.

NYSE-Consolidated 1500 Actives

	Stocks Traded	3.00p.m. Price	Change on Day
AT & T	2,761,100	32⅞	−⅜
General Elec	2,380,400	60	−¼
IBM	2,178,400	161⅝	−1⅛
Amer Express	1,824,300	36	+⅜
New Eng Elec	1,783,200	25⅞	−⅛
Natl Semicondct	1,768,300	16⅝	+⅛
Pennsylvania P & L	1,367,200	35⅞	−¼
Eastman Kodak	1,362,500	97½	−⅝
First Bank Systs	1,323,400	31⅛	−1
Cray Research	1,289,800	104⅞	−5⅝

LONDON – Most Active Stocks
Wednesday, September 2, 1987

	Stocks Traded	Closing Price	Change on Day
Royal Ins	10.0m	562	−1
Cble & Wire	8.4m	438	−8
Rls Ryce	8.4m	111	−1½
Brit Gas	8.2m	170	−3
Plessey	8.2m	185	−7
BAT	6.6m	652	+3
Brit Telecom	6.1m	268½	−4½
Bunzl	5.6m	239	−21
BP	5.2m	367½	−7½
Hanson Tr	5.0m	187	−2

TOKYO – Most Active Stocks
Wednesday, September 2, 1987

	Stocks Traded	Closing Prices	Change on Day
Nippon Kokan	75.34m	325	−3
Ishikawajima-Harima	32.99m	689	+4
Nippon Steel	32.81m	354	−9
Ube Industries	30.27m	545	+1
Kobe Steel	30.07m	305	uch
Kawasaki Steel	29.08m	318	−8
Sumitomo Chem	28.27m	955	−45
Nisshin Steel	27.34m	602	uch
Furukawa Elec	25.39m	931	+1
Yodogawa Steel Wks	24.61m	1,170	+38

LONDON Chief price changes (in pence unless otherwise indicated)

RISES:

Tr 1¼pc 2003/07	£112¹³⁄₁₆	+³⁄₁₆
Bellway	274	+12
Equity & Law	349	+14
Gerrard & Nat	385	+17
Grt Portland Est	321	+14
Lee Intnl	338	+68
Northern Foods	294	+5
Persimmon	557	+18
Quick (H&J)	358	+47
Rugby Group	268½	+12½
Sun Alliance	£10¼	+¹¹⁄₃₂
Union Discount	970	+35
Ward White	401	+12

FALLS:

Beecham	531	−10
Britoil	323½	−12½
Collins (Wm)	753	−23
Enterprise Oil	302	−13
Glaxo	£17	−¼
Guardian Royal	999	−13½
Hawker Siddeley	602	−11
Ladbroke	435	−8
Land Securities	545	−12
Morgan Grenfell	537	−13
Smith (W.H.)	394	−19
Storehouse	380	−9
Wellcome	453	−16

OVER-THE-COUNTER *Nasdaq national market, closing prices*

Continued from Page 41

Stock	Sales (Hnds)	High	Low	Last	Chng
OshBA .54	23 170	75	73½	73¾	+¼
OshkTB .30	11 198	31¼	30¾	31¼	+¼
OshTP 2.92	12 146	40½	39½	39½	−1
[illegible]					

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
37⅞	23⅞	AAR s	.50	1.4	24	572	36¾	36	36	−1
52	22	ADT	.92	1.8	29	4137	51⅝	51⅛	51⅝	
31¼	16¾	AFG s	.16	.6	10	681	29¼	28½	28⅝	−⅝
22⅜	8⅝	AGS s			18	380	21⅛	19¾	19¾	−⅞
10⅞	6¾	AMCA				2	10⅛	10⅛	10⅛	+⅛
9⅝	4⅞	AM Intl				1216	7¾	7⅝	7⅝	−⅛
65½	50¼	AMR			12	6248	58⅝	57⅝	57⅞	−⅜
25	22¼	ANR pf 2.12		9.3		260	22⅞	22⅝	22⅞	+¼
12¼	8¼	ARX s			11	189	11¼	11⅛	11⅛	
73½	34⅞	ASA	2a	3.0		920	67¾	66¼	67¼	+1¼
20	9¾	AVX	.32	1.8	36	399	17¾	17	17¾	+½
67	41	AbtLab	1	1.6	24	7617	62⅛	60½	61¼	−1
28	24¼	Abitibi g				684	26⅝	26⅛	26⅛	−⅛
16¾	9½	AcmeC .40		2.7	15	97	15¼	15	15	−¼
10½	6⅛	AcmeE 32b		3.4	59	28	9⅝	9⅜	9½	+⅛
23⅞	19	AdaEx 3.42e		16.		220	22¼	21½	22	
19½	11⅜	AdmM s .24		1.9	10	380	13⅜	12⅞	12⅞	−⅞
28¾	12⅛	AdvSys 62t		2.3	18	248	28⅛	27¼	27½	−1
24½	12⅞	AMD				3907	21	20⅝	20⅝	−⅜
56⅜	47	AMD pf	3	5.6		143	53⅝	53¼	53⅝	−⅞
11⅞	5¼	Adobe				226	9⅞	9¾	9¾	−¼
20½	14¾	Adob pf 1.84		9.3		10	19⅞	19¾	19⅞	
21½	17	Adob pf 2.40		11.		1	21¼	21¼	21¼	−⅛
15	10⅜	Advest .12a		1.1	9	163	11⅜	11⅛	11¼	+⅛
68¼	53	AetnLf 2.76		4.6	9	9873	61¼	60⅛	60⅝	−1⅛
83½	26½	AflPb s .32		.5	22	295	71⅜	70¾	70¾	
26⅞	18⅝	Ahmans 88		4.1	8	5116	22	21	21½	−¾

Continued on Page 41

NYSE COMPOSITE CLOSING PRICES

Continued from Page 40

High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close	Chng
16 1/2	11 1/4	TrnCdag1.16				148	14	13 3/4	13 7/8	
16 5/8	10 1/8	Trnscap			4	18	10 5/8	10 1/8	10 1/4	−1/8
50	35 5/8	Transcd.38		3.4		654	40 1/2	40 1/8	40 1/4	
57 1/2	48 3/4	Trnsc pf4.75		9.2		112	51 1/2	51 1/4	51 1/2	+1/4
18 1/4	11 1/2	TranEx1.76		15.		616	11 7/8	11 1/2	11 7/8	+1/4
9 3/4	4 5/8	Transcn				46	5	5	5	
52 5/8	41 1/2	Travler2.28		5.0	8	2259	46 1/2	45 3/4	45 7/8	−1/2
58 1/4	52	Trav pf4.16		7.9		31	52 7/8	52 1/2	52 3/4	
34	25 1/2	TriCon5.34e		16.		418	33 1/2	33 1/8	33 5/8	
36 3/4	29 1/4	TriCn pf2.50		8.2		11	30 5/8	30 5/8	30 5/8	
44	23 1/8	Triaín s .12		.3	15	452	41	39 7/8	39 7/8	+3/8
38	20 3/4	TriInd pf.12		.4		33	32 1/4	32	32	−1/4
47	28 5/8	Tribun s .80		1.4	16	1670	43 1/4	41	43 1/8	
4 5/8	1 1/2	Tricntr				25	3 7/8	3 3/4	3 7/8	−1/8
34 1/2	14 7/8	Trinty .50		1.6	90	141	31 1/2	30 1/4	30 1/2	−1
80 5/8	42 1/4	Trinov s 1		1.3	21	471	76 1/4	74	74 3/4	−1 3/8
39 1/2	21 1/8	Trnv wi				3	38 1/4	38 1/4	38 1/4	+1/4
24 1/4	13 3/8	TritEng.10		.4	17	432	22 7/8	22 1/4	22 1/4	−7/8
29 1/4	22 1/8	TritE pf 2		7.5		26	26 3/4	26 1/2	26 1/2	−1/4
64 1/4	51	TucsEP3.60		6.2	12	120	58 5/8	57 5/8	58 1/8	−3/8
16	10	Tultex s			19	282	14 5/8	14 1/4	14 3/8	
22 7/8	14 5/8	TwinDs .70		3.1	31	54	u23	22 1/2	22 5/8	−1/8
56 1/4	30 3/4	TycoLb .48		.9	34	575	54 1/4	52 1/2	52 7/8	−1 1/2
26 5/8	15 3/8	Tyco wi				1	u26 3/4	26 3/4	26 3/4	
15 3/4	11 3/8	Tyler .40		2.6	26	180	15 1/4	15	15 1/4	+1/4

U U U

High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close	Chng
27 7/8	17 1/4	UDC	2.20	12.	8	293	19 1/8	18 3/4	19	−1/4

High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close	Chng
30 1/4	21 1/8	WisPS s1.54		6.7	11	360	23 3/8	23	23	−3/8
47 3/8	31 1/8	Witco 1.12		2.8	14	254	40 3/4	40 1/4	40 1/2	−1/4
14	6 3/4	WolvrW			44	251	12 1/2	12 1/4	12 3/8	+1/8
59 5/8	37	Wlwth s1.32		2.5	16	3745	54 1/2	53 1/2	53 7/8	−3/8
7 3/8	2	WrldCp				25	6 3/4	6 5/8	6 5/8	
19 3/4	14 5/8	WrldVl				278	19 1/8	19	19	
60 1/4	41 7/8	Wrigly s1.04		1.8	20	472	58 3/4	57 3/4	58	+3/4
3 7/8	1 3/8	Wurltzr				15	2 5/8	2 1/2	2 1/2	
20 1/8	11 1/8	WyleLb .32		1.7	32	397	19 3/4	19	19	−1/2
24 3/4	16	Wynns .60		2.9	16	136	20 5/8	19 1/4	20 5/8	+1 1/8

X Y Z

High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close	Chng
85	51	Xerox	3	3.8	18	6183	79	77 7/8	78 5/8	−3/8
58 1/4	53 7/8	Xerox pf5.45		10.		288	54	53 7/8	54	
31 1/2	21 1/2	XTRA .64		2.2	24	19	29 7/8	29 5/8	29 5/8	+1/4
27 7/8	25 5/8	XTRA pf1.94		7.2		85	27	27	27	
31 3/4	15	Yorkln			15	453	31	30 5/8	30 3/4	−1/4
7 1/4	2 1/4	Zapata				629	5 5/8	5 3/8	5 1/2	
32 7/8	20 3/4	Zayre .40		1.4	11	5011	29 3/4	28 5/8	29 5/8	+3/4
14 3/4	9 3/4	Zemex .40		3.2	8	34	12 5/8	12 1/4	12 3/8	−1/4
33 5/8	18 7/8	ZenithE			120	3740	30	29 1/4	29 7/8	−1/8
13 1/2	6 3/4	ZenLab				3195	7 1/8	6 5/8	6 7/8	+3/8
28	18 3/4	ZenNtl .80		3.5	14	52	23 1/4	22 3/4	22 3/4	−1/4
20 5/8	12 3/4	Zero .36		1.9	19	75	18 7/8	18 1/2	18 7/8	+1/8
30 3/4	17 1/2	Zurnls s .68		2.5	19	371	27 3/4	27	27 3/4	+1/8
10 5/8	8 3/4	Zweig n.65e		6.4		1088	10 1/8	10	10 1/8	+1/8

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E-price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begin with date of split. sls – sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wi-when issued. ww-with warrants. x-ex-dividend or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

AMEX COMPOSITE CLOSING PRICES

Stock	Div	P/E	Sls 100s	High	Low	Close	Change
AT&E			115	17 7/8	17	17 1/8	−1/4
AcmePr			7	3 3/8	3 1/4	3 1/4	−1/8
Actons			42	21 5/8	21 1/4	21 5/8	−3/8
AdRusll		294	67	41 1/4	41 1/8	41 1/8	
AlbaW		12	53	9 1/4	9	9 1/4	
Alphaln			77	10	9 3/4	9 7/8	−1/8
Alza		163	1116	38 1/4	37 5/8	37 5/8	−1/4
Amdahl	.20	23	3287	43	41 1/4	42 1/2	−1/2
AMzeA	.52	11	200	26	25 5/8	25 3/4	+1/8
AMzeB	.52	10	52	23 1/8	22 5/8	22 7/8	+1/8
AMBld			110	3 1/2	3 3/8	3 1/2	
APetf		15	37	69 1/8	68 1/8	69 1/8	+3/4
APrec	.20	62	4	15	14 7/8	14 7/8	
AmRoyl	1.33e	5	517	9 5/8	9 3/8	9 1/2	+1/8
AScIE		250	34	5 1/8	5	5	−1/8
Ampal	.05	5	317	2 1/2	2 3/8	2 1/2	+1/8
Andal		3	10	7 1/4	7 1/4	7 1/4	
AndJcb			1	1 3/4	1 3/4	1 3/4	−1/8
ArzCmn			2	8 1/4	8 1/8	8 1/8	−1/4
Armtrn			10	2 1/2	2 1/2	2 1/2	−1/8
Arundl		7	14	28 1/8	28	28	−3/8
Asmrg	.20		1231	9 3/8	9 1/8	9 1/4	−1/8
Astrotc			284	1/2	7-16	7-16	−1-16
Ataris		20	763	12 7/8	12 1/2	12 3/4	−1/8
AtlsCM			147	1 3/4	1 5/8	1 3/4	+1/8
Atlasswt			107	u10 3/4	9 5/8	10 3/4	+1 3/4

OVER-THE-COUNTER *Nasdaq national market, closing prices*

Continued on Page 39

FINANCIAL TIMES

WORLD STOCK MARKETS

AMERICAS

Downturn takes hold as jitters hit bond trading

WALL STREET

THE DOWNWARD correction on Wall Street, begun with a vengeance in the final hour of Tuesday's trading, was slowed but not halted yesterday as an early rally failed to gain support, *writes Gordon Cramb in New York.*

The Dow Jones industrial average closed 8.93 lower at 2,602.04, extending a 51.98 loss the previous session. Declines led advances on the big board by 1,210 to 422 as the *NYSE composite index fell 1.09 to* 180.12.

A loss of confidence in the bond market was a big depressant all round, amid persistent pressure on the dollar. Fears were aired that the Federal Reserve might act to settle the currency by boosting the discount rate, and some analysts pointed out that debt traders had brought prices down so far that such a move was already being reflected.

Few wished yet to be authors of any obituary for the five-year *bull* market, though. Ms Hilde Zagorski at Prudential-Bache identified the credit market as "the operating factor" on equities yesterday. The mood was defensive, but she said she remained convinced that "this is just another shake-out ... there may be another few days of correction, but then we expect the market to go to new highs."

Technology stocks showed some resilience although IBM moved $½ lower at $162⅝. Digital Equipment, currently an analysts' darling, advanced $2⅝ to $187⅞ after being pulled $4½ lower in Tuesday's melee. Hewlett-Packard was $2 better at $65.

The counterpoint to this was Cray Research, which plunged $7¼ to $103¾. It announced that Mr Steve Chen, one of its key designers, was to leave, taking with him the company's now aborted project to build its most advanced supercomputer yet.

AT&T, *heading the active stocks,* put on $¼ to $33¼ after announcing new desktop and midrange products. Control Data, up $⅛ to $35⅝, introduced a management system for small businesses. Unisys, unveiling a new range, at $43½ let go $1⅛.

Elsewhere Merck's launch of its lovastatin cholesterol agent was well received and the shares, after managing to hold $1 higher against the previous session's sell-off, continued $4⅝ upward to $209¾. Eli Lilly shed $2¼ to $95⅞. Upjohn at $48¾ was $¼ improved.

The recently recommended SmithKline Beckman shed $1 to $59.

Alberto-Culver, the hair-care and health company, added $¼ to $25¼ as it instituted moves to demand a shareholders' meeting of Lamaur, its takeover target, which itself firmed $⅛ to $27.

Among other consumer stocks Kellogg was unmoved at $62 despite a view from the company that it expects at least a 10 per cent sales and profits growth from its North American business in the current year, based on the popularity of its breakfast cereals.

McDonald's at $56¼ was lower by $⅞. Coca-Cola was that amount higher at $51⅜ and Pepsico eased $¼ to $39⅝ – it is attempting to prevent a large bottling franchise from changing hands.

The Detroit automotive sector showed a mixed to weaker tone as wage talks continued. Ford, which the United Auto Workers are targeting in this round, fell $15 to $105⅝. General Motors was down $⅝ to $88 but Chrysler, around which the parallel Canadian negotiations are due to centre, was up $⅛ to $43⅞.

Airlines were softer: many are discounting autumn fares within the US to fill seats. Texas Air, an initiator of the price war, slid $2¼ to $29⅝ while Delta on $55 was just $⅛ down. AMR, which said that it by contrast was toughening conditions and lifting prices on certain Maxsaver cheap deals, none the loss lost $⅝ to $57⅞.

Fairchild Industries dropped $½ to $13⅝ as it announced the $75m disposal of its aircraft side. Litton Industries was up $1 to $99½ on its full-year results.

In the financial sector Morgan Stanley showed up well with a $2⅝ jump to $82½ although volume in the stock was on the thin side. Merrill Lynch at $38⅛ was unchanged and Salomon was off $¼ to $33⅞. Citicorp shed $½ to $62½.

Credit markets were weakest of all at the long end, with the benchmark 30-year government bond, the 8⅞ coupon issue, showing a 1½ point loss to 94⅝ where it was yielding 9.43 per cent. Closer in, the 7⅞ of 1990 was [illegible] off at 98[illegible] to yield 8.40 per cent.

With a federal funds rate of 6⅝ per cent the authorities stepped in with an offer to buy bills of all maturities. Three-month Treasuries came back six basis points to yield 6.26 per cent.

CANADA

A WEAKER market in New York pulled stocks in Toronto lower after an early advance led by metals and mines.

Against lower industrials and utilities, gold stocks climbed higher as world bullion prices rose on increased tensions in the Gulf. Placer Dome gained C$⅝ to C$27⅞, Echo Bay surged C$¾ to C$37 and Hemlo Gold improved C$⅝ to C$26¼.

Non-precious metals followed golds higher, with Inco ahead C$¼ to C$27½, Noranda firming C$¼ to C$35¼ and Cominco gaining C$⅝ to C$21½.

Banks also weakened. Bank of Nova Scotia slid C$¼ to C$17½ and Royal Bank of Canada C$⅛ to C$33⅝.

Some resource issues also followed Wall Street's decline. In energy stocks Imperial Oil class A lost C$⅝ to C$76⅝, Texaco Canada dipped C$¼ to C$36¼ and Gulf Canada Resources fell C$¼ to C$24⅝.

ASIA

Chemicals lose favour as firm yen brings setback

TOKYO

THE OVERNIGHT plunge on Wall Street and the yen's renewed strength depressed investor enthusiasm in Tokyo yesterday, driving share prices sharply lower, *writes Shigeo Nishiwaki of Jiji Press.*

The Nikkei average lost 171.82 to 25,946.60. Volume totalled 1.21bn shares compared with Tuesday's 1.49bn shares. Declines outnumbered advances by 589 to 351, with 123 issues unchanged.

Recently favoured commodity-sensitive stocks came under heavy selling pressure, triggered by the fifth biggest fall in the Dow Jones industrial average and the yen's rise against the dollar to the Y140 range at one stage.

Among other stocks heavily sold were chemicals which had fared well on investor hopes of a strong improvement in earnings in the year ending March next year.

Sumitomo Chemical, which matched its record high of Y1,010 briefly on Tuesday, turned down, closing Y45 lower at Y955. Mitsui Toatsu Chemicals fell Y36 to Y751, Toyo Soda Y35 to Y753 and Mitsubishi Petrochemical Y90 to Y1,410.

Synthetic fibres eased, with Teijin shedding Y21 to Y942 and Toray down Y19 at Y880.

Buying interest in large-capital steels and shipbuildings weakened. Nippon Kokan topped the active list with 75.34m shares changing hands and ended Y3 lower at Y325.

Nippon Steel dipped Y9 to Y354 and Kawasaki Steel lost Y8 to Y318. But Ishikawajima-Harima Heavy Industries, the second busiest issue with 33m shares traded, finished Y4 higher at Y689.

Conversely, constructions and consumer stocks attracted strong buying interest. Okumura surged Y89 to Y1,070, Sato Kogyo added Y65 to Y779 and Kajimac was up Y50 to Y1,850.

Some properties and electric railways were in favour. Mitsui Real Estate advanced Y60 to Y2,380 and Tobu Railway added Y29 to Y965.

High-technology stocks declined almost across the board, depressed by the strong yen. NEC lost Y40 to Y1,850 and Matsushita Electric Industrial was down Y30 to Y2,340.

Power utilities continued their down-turn. Tokyo Electric Power and Kansai Electric Power closed Y110 and Y70 lower at Y6,610 and Y3,250, respectively.

Osaka Securities Exchange (OSE) prices turned down, affected by Wall Street's sharp overnight drop.

The 250-issue OSE stock average declined 130.27 to 26,655.07 on an estimated volume of 160m shares, a decrease of 72m shares from the previous day.

Tateho Chemical Industries posted a maximum allowable single-day fall of Y300 to Y1,520 on reports that it had suffered a Y20bn loss in bond investment.

Bond trading was lacklustre in Tokyo yesterday. The benchmark 5.1 per cent government bond, due in June 1996, rose in early trading on buying sparked by the yen's rise to the Y140 range and the Bank of Japan's purchase of Y50bn worth of long-term government bonds, including the benchmark issue.

The yield on the 5.1 per cent bond fell to 4.290 per cent at one stage from Tuesday's 4.460 per cent. Later, however, small-lot selling increased following the yen's fall to the Y141 range and the yield on the benchmark issue ended at 4.430 per cent. In inter-dealing trading afterwards, the yield rose further, reaching 4.500 per cent.

AUSTRALIA

GOLDS and resource stocks were in good demand and provided the impetus for a rally in Sydney. The All Ordinaries index advanced 21.9 to a record 2,179.6 in moderate trading of 135.81m shares worth A$306.17m.

Sons of Gwalia led the advance, climbing 50 cents to A$13.00, while Renison moved up 40 cents to A$14.10 and Consolidated Exploration added 20 cents to A$5.10. Gold Mines of Kalgoorlie was an exception, off 20 cents at A$9.70.

Major resource stocks benefited from firmer commodity prices. CRA rose 40 cents to A$10.40 despite reporting a drop in its interim net profit.

Selected media, paper and packaging, alcohol and tobacco stocks attracted attention.

Rupert Murdoch's News Corp rose 10 cents to A$23.30 after climbing to A$23.50 on news it had bid for outstanding shares in Advertiser Newspapers Ltd. Fairfax, the subject of a takeover bid from Warwick Fairfax's Tryart Ltd, advanced 10 cents to A$8.50

In minings Nuigini Mining climbed 70 cents to A$15.00 as Western Mining advanced 28 cents to A$9.90 on news it had increased annual net equity profit. Bell Resources went against the trend, falling two cents to A$5.48.

SINGAPORE

BARGAIN HUNTING and some short covering helped shares regain about half their recent losses, and the Straits Times industrial index recovered 21.76 to 1,426.31 after two days of nervous trading.

Some operators were still worried about racial tension in Malaysia and stayed at the sidelines. Turnover improved slightly to 39.6m shares from Tuesday's 37.7m. Selected secondary issues dominated activity while blue chips were thinly traded.

Malaysia's Industrial Oxygen led the actives on 2.4m shares and rose 1 cent to 83.5 cents.

Major gains were posted by Metro, up 50 cents to S$13.00, Malayan Breweries, which added 40 cents to S$12.30, Shell, up 35 to S$6.80, and Singapore Press, which advanced 30 cents to S$10.50.

HONG KONG

LIGHT profit-taking and continued rumours of fund raising by Cheung Kong dampened enthusiasm in Hong Kong. The Hang Seng index slipped 8.42 to 3,635.86 as turnover remained active at HK$2.419bn.

Banks, utilities and industrial stocks held steady, but property shares were sharply lower on profit-taking

Weakness among Hong Kong blue chips in overnight trading in London got the market off to a poor start, compounded by rumours over rights issues by Cheung Kong and Allied Overseas Investments. Cheung Kong slipped 10 cents to HK$13.10, and its associate Hutchison Whampoa was also off 10 cents at HK$14.30.

EUROPE

Transatlantic clouds cast shadow

THE SETBACK for the dollar and New York stocks overnight cast a pall over European trading yesterday, leaving investors nervous and uncertain. Most major bourses eased in thin trading, and the smaller markets were once again the only bright spots, with Oslo and Madrid scaling new heights.

Oslo rose to its third consecutive record amid easier money market rates and signs that the economy is picking up. The All-share index added 2.53 to 403.13 after passing the 400 level on Tuesday. Turnover was worth a bustling NKr151m.

Financials performed best on the interest rate developments, with the insurance index climbing 7.75 to 362.96. Storebrand was up NKr11 at NKr424. Among banks, Christiania added NKr1.50 to NKr233 and Den Norske Creditbank was NKr3.50 ahead at NKr184.50.

Madrid continued its buoyant trend, rising to another record in active trading led by chemicals and banks. The general index rose 1.25 to 314.76.

Among banks, Banesto put on 55 percentage points to 1,230 per cent of nominal market value, while Bilbao was up 34 points at 1,730 per cent.

Against the trend, market leader Telefonica ended 2.3 points down at 228.50

LONDON

LEADING shares finished lower as the market became nervous when Wall Street resumed on a weak note.

The FT-SE share index fell 23.3 to 2,249.5 and the FT Ordinary index was down 15.7 at 1,763.2.

Government bonds, however, moved upwards as short-term interest rates fell back from recent high levels.

The gilt-edged sector received a boost from remarks by the Chancellor of the Exchequer that last month's one percentage point rise in base rates was sufficient. Details, Page 38

Details, Page 38

Zurich was alone among the leading bourses in edging higher as buying by Swiss pension funds supported the market. Turnover was moderate as many foreign investors stayed away.

The Crédit Suisse stock index added just 1.3 to 595.4 and the new continuously updated Swiss Index was up 1.8 at 1,139.

Frankfurt was depressed by Wall Street's poor overnight performance and the dollar's fall against the D-Mark to its lowest level since June 12. After Tuesday's gains, foreign interest was minimal.

The Commerzbank index lost 14.2 to 2,019.1 in lacklustre trading and export-sensitive stocks were generally hit.

Against the trend, however, VW picked up DM2.20 to DM406.50 after reporting a small rise in first-half profits. Its fellow cars fared less well, with Daimler losing DM13 to DM1,129 and BMW off DM2 at DM783.

Bonds fell sharply on foreign selling and the Bundesbank bought DM147.2m worth of paper

Amsterdam fell in response to Wall Street's losses and the lower dollar but trading was quiet. The all-share index fell 1.7 to 103.10.

Internationals were all lower, with *Royal Dutch off Fl 4.20 at Fl* 271 and KLM easing 70 cents to Fl 51.80.

Gist-Brocades, the bio-chemical group, lost Fl 1.40 to Fl 46.50 after saying it expected profits for the year to fall by 12 per cent.

Paris ended lower on worries about the dollar and the impact of its weakness on the D-Mark within the European Monetary System. The CAC General index shed 3.8 to 426.6.

Foods followed the dollar down, while the textile sector eased on profit-taking. Prouvost fell *FFr10.80* to FFr460.20 after Chargeurs increased its stake to 36 per cent.

Brussels was also down in fairly thin trading. This focused on Petrofina, up BFr25 at BFr14,025, and Réserve, the share of Société Générale de Belgique, down BFr100 to BFr3,859 on profit-taking in advance of next week's extraordinary general meeting.

Milan finished mixed to easier in moderate trading, with financials worst hit while chemicals edged up.

Stockholm was marginally firmer in uncertain trading overshadowed by Wall Street's losses and worries about interest rates.

SOUTH AFRICA

A LATE rally in the bullion price lifted gold shares in Johannesburg, but gains were limited due to the stronger financial rand.

Vaal Reefs was up R12.50 to R487.50, and Freegold added R1 to R61. Leslie continued its strong run, sparked by rumours of discovery of high-grade ore, rising 20 cents to R7.75.

Diamond miner De Beers rose 25 cents to R53, and among mining houses Anglo American fell 25 cents to R92.

In its second day of listing, platinum mine Lefkochrysos closed down 30 cents at R24.20. Impala platinum eased 25 cents to R58.50.

Industrial shares were overshadowed by golds. Barlow Rand fell 10 cents to R27.90 and Sasol closed 25 cents lower at R14.

Taiwanese savings send market skywards

TAIWAN share prices yesterday surged to their third high this week on record turnover as small investors continued to pour bank savings into the market, Reuter reports from Taipei.

The weighted index jumped 77.13 to end at 3,291.43 with banking shares leading the way. Turnover rose to Taiwan $22.03bn (US$732m) from T$15.81bn on Tuesday.

Brokers said about 18,000 new accounts, with an average investment of US$10,000, were opened last month, mostly by individuals attracted to a market which has soared almost 90 per cent in the past two months.

Banking shares have surged 440 per cent since the beginning of the year and now account for about 45 per cent of market capitalisation, which is up to around US$40bn from US$15.6bn at the end of last year.

Brokers attributed this ascent to persistent rumours that state-owned banks, which have suffered huge foreign exchange losses by holding depreciating US dollars, were planning rights issues.

"The question is not how far the market will go but what is the downside," said Mr Blair Pickerell, general manager of Jardine Fleming Taiwan. He said a major correction was likely, but economic fundamentals would prevent a crash.

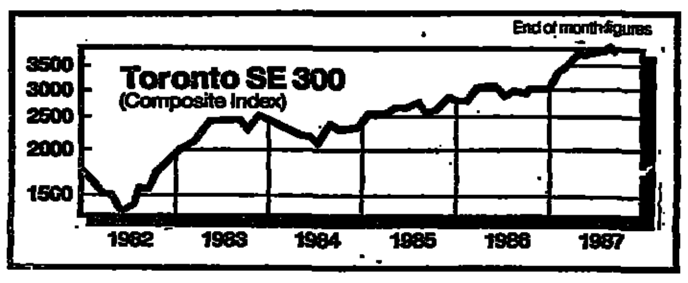
Brokers said the market was boosted by excess liquidity in the economy, low bank interest rates of about 4 per cent, and an absence of other investment outlets. There was enormous demand for a limited number of shares, they said.

Only 132 Taiwan companies are listed and brokers estimate only about 30 per cent of shares were actively traded. However, turnover in August was about US$10.3bn.

Foreign share ownership in Taiwan is limited to a small number of closed-end investment funds.

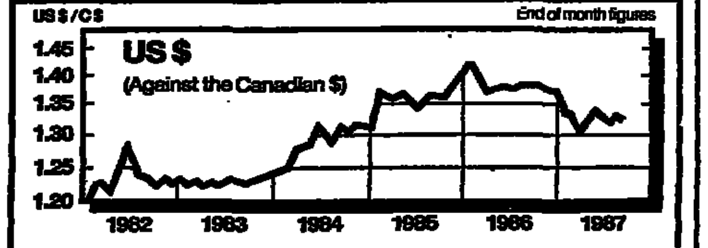
KEY MARKET MONITORS

End of month figures



US$/C$

End of month figures



STOCK MARKET INDICES

	Sept 2	Prev	Year ago
NEW YORK			
DJ Industrials	2,602.04	2,610.97	1,870.36
DJ Transport	1,037.93	1,048.21	759.88
DJ Utilities	203.06	204.54	215.42
S&P Comp.	321.68	323.40	248.52
LONDON FT			
Ord	1,763.2	1,776.9	1,320.0
SE 100	2,249.5	2,272.8	1,667.80
A All-share	1,147.04	1,156.31	823.75
A 500	1,262.61	1,274.21	904.76
Gold mines	444.9	438.2	268.0
A Long gilt	9.93	9.95	9.24
World Act. Ind (Sept 1)	138.62	139.35	100.71
TOKYO			
Nikkei	25,946.60	26,118.42	18,694.9
Tokyo SE	2,138.47	2,153.20	1,531.06
AUSTRALIA			
All Ord.	2,179.6	2,157.7	1,211.4
Metals & Mins.	1,368.5	1,346.1	357.1
AUSTRIA			
Credit Aktien	213.60	213.60	240.15
BELGIAN SE	5,297.70	5,311.60	3,877.21
CANADA			
Toronto			
Met.& Mins.	3,156.1	3,165.0	2,084.57
Composite	3,978.0	3,982.3	3,040.0
Montreal			
Portfolio	1,963.49	1,970.45	1,512.67
DENMARK SE			
SE	n/a	215.98	198.73
FRANCE			
CAC Gen	426.60	430.40	410.9
Ind. Tendance	110.70	110.90	98.11
WEST GERMANY			
FAZ-Aktien	655.57	660.06	707.96
Commerzbank	2,019.10	2,033.30	2,121.7
HONG KONG Hang Seng	3,635.86	3,644.28	1,930.81
ITALY Banca Comm.	621.45	624.88	818.88
NETHERLANDS ANP CBS			
Gen	314.50	316.50	297.3
Ind	262.90	267.60	298.6
NORWAY Oslo SE	540.22	537.68	376.91
SINGAPORE Straits Times	1,426.30	1,404.50	851.05
SOUTH AFRICA JSE			
Golds	–	2,359.0	1,758.0
Industrials	–	2,219.0	1,325.0
SPAIN Madrid SE	314.76	313.51	203.74
SWEDEN J & P	3,022.10	3,013.20	2,438.79
SWITZERLAND Swiss Bank Ind	684.60	682.00	564.0

COMMODITIES (London)

	Sept 2	Prev
Silver (spot fixing)	461.70p	455.10p
Copper (cash)	£1,043.50	£1,047.50
Coffee (January)	£1,361.00	£1,373.00
Oil (Brent Blend)	$18.45	$18.425

GOLD ($/oz)

	Sept 2	Prev
London	$463.75	$453.25
Zürich	$463.50	$454.05
Paris (fixing)	$460.04	$455.51
Luxembourg	$456.40	$452.35
New York (Oct)	$473.40	$457.30

CURRENCIES (London)

	US DOLLAR Sept 2	US DOLLAR Previous	STERLING Sept 2	STERLING Previous
$	–	–	1.6500	1.6400
DM	1.8030	1.8125	2.975	2.9725
Yen	140.95	141.85	2.325	232.75
FFr	6.035	6.065	9.9575	9.9475
SFr	1.4885	1.4965	2.455	2.455
Fl	2.0300	2.0420	3.35	3.35
Lira	1,306	1,312.5	2,155	2,152.3
BFr	37.45	37.65	61.80	61.75
C$	1.3145	1.3170	2.1700	2.1605

INTEREST RATES

	Sept 2	Prev
Euro-currencies (3-month offered rate)		
£	10[illegible]	10⅝
SFr	3[illegible]	3⅞
DM	3[illegible]	4[illegible]
FFr	8⅛	8⅛
FT London Interbank fixing (offered rate)		
3-month US$	7[illegible]	7[illegible]
6-month US$	7⅝	7[illegible]
US Fed Funds	6⅝*	6[illegible]
US 3-month CDs	6.90*	6.90
US 3-month T-bills	6.06*	6.235

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
US Treasury Bonds (CBT) 8% 32nds of 100%				
(Sept)	85-01	86-22	84-25	87-00
US Treasury Bills (IMM) $1m points of 100%				
(Sept)	93.73	93.79	93.72	93.77
Certificates of Deposit (IMM) $1m points of 100%				
(Sept)	—	—	—	—
LONDON				
Three-month Eurodollar $1m points of 100%				
(Sept)	92.62	92.66	92.61	92.70
20-year Notional Gilt £50,000 32nds of 100%				
(Sept)	114-28	115-04	114-15	114-18

US BONDS

Treasury

	September 2 Price	September 2 Yield	Prev Price	Prev Yield
7⅞ 1989	99[illegible]	8.14	99[illegible]	7.95
7 1994	94[illegible]	8.07	95[illegible]	8.83
8½ 1997	95[illegible]	9.26	97[illegible]	9.02
8⅞ 2017	94[illegible]	9.46	96[illegible]	9.21

Source: Harris Trust Savings Bank

Treasury Index

Maturity (years)	September 2 Return index	September 2 Day's change	Yield	Day's change
1–30	163.17	+0.23	6.93	−0.03
1–10	154.63	+0.12	6.66	−0.03
1– 3	144.03	+0.07	6.37	−0.03
3– 5	157.57	+0.17	6.71	−0.03
15–30	193.58	+0.59	7.78	−0.03

Source: Merrill Lynch

Corporate

	September 2 Price	September 2 Yield	Prev Price	Prev Yield
AT&T 3⅝ July 1990	92.875	6.70	93.125	6.53
SCBT South Central 10⅝ Jan 1993	102.0	10.63	102.0	10.21
Phibro Sal 8 April 1996	87.33	10.25	89.63	9.83
TRW 8⅞ March 1996	92.95	10.00	93.88	9.83
Arco 9⅞ March 2016	94.80	10.45	96.73	10.10
General Motors 8⅞ April 2016	78.94	10.45	80.44	10.10
Citicorp 9⅞ March 2016	87.07	10.85	88.65	10.55

Source: Salomon Brothers

* Latest available figures